

McDivitt, Herschel

From: Charles Compton [CCompton@zsws.com]
Sent: Friday, November 21, 2008 4:42 PM
To: McDivitt, Herschel
Cc: lynxlaw@sigecom.net; kjoil@evansville.net
Subject: Culley / Continental Resources - Preliminary Position Statement
Attachments: Preliminary Position Statement.pdf

As requested, attached please find Kathryn Culley's position statement regarding proper allocation of royalty to her interest in the proposed waterflood unit.

Also, as noted in the Position Statement, we would like to know (i) if it is the Division's intent to have a transcriptionist at the Informal Hearing, and (ii) if the field inspector(s) with jurisdiction over the applicable lands in the proposed unit will be in attendance at the hearing.

Regards,
Charles

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**STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS**

IN RE: PETITION OF CONTINENTAL RESOURCES, INC. FOR THE
INTEGRATION OF INTERESTS IN SECTIONS 26, 27 AND 34, TOWNSHIP 6
SOUTH, RANGE 13 WEST, POSEY COUNTY, INDIANA

CAUSE NO. DOG-16-2008

***Preliminary Position Statement of Kathryn Day Culley, Cause No. DOG-16-2008, Proposed
Nation Road Waterflood Unit (the "Unit").***

Pursuant to the request of the Herschel McDivitt, Director ("Director") of the Division of Oil and Gas of the Indiana Department of Natural Resources (the "Division"), Kathryn Day Culley, by counsel, hereby provides her preliminary position statement pertaining to the allocation of production from the proposed Unit for royalty calculation purposes.

It is Ms. Culley's position that a valid, binding agreement already exists between and among all applicable parties regarding the appropriate allocation of royalty to Ms. Culley in the event the Division approves the Unit. The lease plainly and unambiguously provides as follows:

"[t]he entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his *[sic]* acreage placed in the unit or his *[sic]* royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit."

The lease makes no distinction whatsoever in applying the above allocation to units for primary, secondary or tertiary recovery. All are to be allocated on a per acre basis.

It is Ms. Culley's position that where the parties have privately agreed to an allocation of royalty in the event of unitization, the Division should not, nor do they have the authority to, change the allocation. Such a position has been echoed by Continental Resources in these proceedings, so we do not believe there is any dispute on that point. Subject to compliance with the provision cited above with respect to the allocation of royalty to Ms. Culley from the Unit, Ms. Culley has no objection to the proposed waterflood operation.

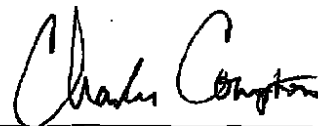
As to the effect of making the proper allocation to Ms. Culley per the lease on other royalty interest holders, Ms. Culley is not affected thereby and at this point has no position. Presumably, however, that would be governed by separate agreements that have been made which govern the separate royalty interests, and it is further presumed that if, as a net result, there is a collective increase in the royalty interest there would be a collective decrease in the working interest.

Additionally, and although it should have no bearing on the allocation to Ms. Culley in light of the terms of the lease, it is Ms. Culley's position that the allocation calculation proposed by Continental Resources is flawed. Without waiving her right to note other flaws or defects, or making any admission that such a calculation has any significance in light of the agreement of the parties, Ms. Culley's position is that the Renault Hydrocarbon Pore Volume (HCPV) allocated to the Culley No. 2 well in Continental Resources' proposed allocation calculation is too low. Continental Resources has proposed an HCPV for Culley No. 2 of 0.099. The geophysical log on this well displays a very marginal sand quality. Continental Resources gave an allocation of four (4) feet of thickness, 7.8% average porosity and a calculated water saturation of 68%. Even though the well has marginal sand, however, it is Ms. Culley's position that this should be given more weighting due to its high structural position. This well is the second highest well in the field and accordingly its true water saturation should not be any lower than the other wells. The calculated water saturation in this well is evidently being influenced by the bound water in the clays in the "not as clean" sand present in this well. Accordingly, the Renault HCPV for this well should be recalculated using four (4) feet of thickness, a fifty percent (50%) water saturation and an average porosity value of 8.2%. This results in a Renault HCPV of 0.164 versus the original value of 0.099. If necessary at Tuesday's hearing, Ms. Culley is prepared to present expert testimony including a revised map of Renault HCPV and recalculation of Renault HCPV-AF for all tracts based upon the above correction. Such a recomputation results in an allocation of 0.294817 to the Culley lease, 0.580780 to the Allyn lease, and 0.124403 to the Allyn Community lease.

Finally, Ms. Culley would request that the Division advise if (i) it is the Division's intent to have a transcriptionist present to record the informal hearing, and (ii) if the Division's field inspector(s) with jurisdiction over the lands in the proposed Unit will be in attendance.

Respectfully submitted,

ZIEMER, STAYMAN, WEITZEL &
SHOULDERS, LLP



Charles A. Compton

cc: Kathryn Day Culley
Steve Link

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NATION ROAD WATERFLOOD UNIT DISCREPANCIES (Data Inputs)

Culley
11-25-08

CONTINENTAL

CULLEY

	Renault		Factor
	HCPV	HCPV	HCPV
	So-Por-Ft	BBIs	Acre-Feet(%)
Allyn	11.73	79,132	50.02%
Allyn Comm	2.76 <i>3.43</i>	23,139	14.83%
Culley	<u>9.09</u> <i>3.29</i>	<u>61,321</u> <i>55,925</i>	<u>35.35%</u>
	23.45	158,196	100.00%

	Renault		Factor
	HCPV	HCPV	HCPV
	So-Por-Ft ¹	BBIs ¹	Acre-Feet(%) ¹
	11.42	77,039	49.08%
	2.76	18,619	11.86%
	<u>9.09</u>	<u>61,321</u>	<u>39.06%</u>
	23.27	156,979	100.00%

	2007 Avg Production	
	BOPD	% Factor
Allyn	13.7	61.43%
Allyn Comm	3.5	15.70%
Culley	<u>5.1</u>	<u>22.87%</u>
	22.3	100.00%

	2008 Production (thru Oct) ²	
	1-08 thru	% Factor
	10-08	2008 Prod
	3,355.07	59.13%
	538.35	13.52%
	<u>1,089.30</u>	<u>27.35%</u>
	3,982.72	100.00%

	Cum. Prod Thru Dec-07	
		% Factor
Allyn	37,291	63.08%
Allyn Comm	4,283	7.25%
Culley	<u>17,541</u>	<u>29.67%</u>
	59,115	100.00%

	Cum. Prod Thru Oct-08	
		% Factor
	39,366.08	62.79%
	4,697.71	7.49%
	<u>18,633.77</u>	<u>29.72%</u>
	62,697.56	100.00%

	Renault Useable Wells	
	Number	% Factor
Allyn	3	60.00%
Allyn Comm	1	20.00%
Culley	<u>1</u>	<u>20.00%</u>
	5	100.00%

	Renault Useable Wells	
	Number	% Factor
	3	50.00% <u>or</u>
		60.00%
	1	16.67% <u>or</u>
		20.00%
	<u>2 or 1³</u>	<u>33.33% or</u>
		<u>20.00%</u>
	5 <u>or</u> 6	100.00%

¹ Per computation of Bob Pigott

² Per CountryMark

³ Culley continues to question disallowance of Culley #2 well. Culley #2 is only perforated two (2) feet within the Renault, rather than the entire depth of the zone like the other wells. The Renault zone has a thickness of 6 feet at Culley #2, consistent with the thickness of the zone at other wells. Additionally, unlike the other wells in the proposed unit, the zone has not been fractured at Culley #2. Despite requests, Continental has not provided underlying reports and data regarding stimulation and other pertinent activities to allow complete analysis of this well.

11/24/08 15:00:07

PRODUCTION HISTORY MASTER LISTING
BY LEASE NUMBER

PAGE 1

LEASE NO.	STATE	MONTH	YEAR	Lease Name	Current Barrels	Current Dollars
51287	IN	2	2005	CULLEY #1	920.58	42,580.50
		3			1,303.67	68,855.93
		4			915.92	45,741.96
		5			1,261.36	57,952.01
		6			1,577.22	82,951.76
		7			904.15	49,866.59
		8			908.16	55,022.70
		9			712.37	43,415.39
		10			540.52	31,294.49
		11			558.06	30,073.85
		12			714.53	39,191.26
				TOTAL	10,216.54	546,956.44
51287	IN	1	2006	CULLEY #1	716.94	43,647.30
		2			535.82	30,845.55
		3			534.27	31,221.66
		4			371.31	24,378.36
		5			549.44	36,215.79
		6			356.74	23,571.59
		7			360.06	24,845.94
		8			359.69	24,336.99
		9			346.61	20,393.84
		10			351.35	18,891.04
		11			372.63	20,005.39
		12			189.53	10,759.81
				TOTAL	5,044.39	309,113.26
51287	IN	1	2007	CULLEY #1	183.92	9,057.32
		2			178.85	9,670.96
		3			170.56	20,504.94
		4			186.38	10,952.06
		5			364.70	21,209.13
		6			183.64	11,181.09
		7			171.50	11,777.93
		9			180.69	13,308.90
		10			179.82	14,454.83
		12			183.48	15,833.59
				TOTAL	2,183.54	138,150.75
51287	IN	1	2008	CULLEY #1	187.03	16,367.37
		3			182.55	18,199.69
		5			174.15	20,959.83
		7			179.52	23,152.34
		8			181.93	20,245.53
		10			183.92	13,116.81
				TOTAL	1,089.30	112,041.57

From
Culley
11-25-08

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PRODUCTION HISTORY MASTER LISTING
BY LEASE NUMBER

PAGE 2

LEASE NO.	STATE	MONTH	YEAR	Lease Name
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Current Barrels

Current Dollars

LEASE NAME : CULLEY #1

TOTAL	18,633.77	1,106,272.02
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*** END OF REPORT ***

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PRODUCTION HISTORY MASTER LISTING
BY LEASE NUMBER

PAGE 1

LEASE NO.	STATE	MONTH	YEAR	Lease Name	Current Barrels	Current Dollars
51290	IN	4	2005	ALLYN #1	1,655.06	82,655.36
		5			2,394.48	110,031.13
		6			1,846.05	97,102.22
		7			1,290.00	71,147.37
		8			1,469.00	89,002.30
		9			1,289.28	78,575.17
		10			1,107.96	64,147.55
		11			914.44	49,279.17
		12			1,681.84	92,247.25
				TOTAL	13,648.11	734,187.52
51290	IN	1	2006	ALLYN #1	2,042.17	124,327.31
		2			1,884.08	108,460.83
		3			2,563.27	149,792.38
		4			1,856.92	121,916.07
		5			1,837.41	121,111.05
		6			1,489.84	98,441.19
		7			1,293.32	89,245.55
		8			1,108.81	75,023.19
		9			1,113.37	65,508.46
		10			930.41	50,025.36
		11			748.31	40,174.52
		12			754.20	42,816.69
				TOTAL	17,622.11	1,086,842.60
51290	IN	1	2007	ALLYN #1	941.69	46,374.45
		2			558.45	30,197.06
		3			565.43	31,288.06
		4			549.84	32,309.70
		5			543.76	31,622.35
		6			371.34	23,013.79
		7			550.86	37,830.86
		8			366.59	24,541.73
		9			355.63	26,194.28
		10			370.74	29,801.93
		11			376.56	33,791.36
		12			189.90	16,387.61
				TOTAL	5,740.79	363,353.18
51290	IN	1	2008	ALLYN #1	359.96	31,500.82
		2			367.37	32,867.13
		3			187.83	18,726.09
		4			362.64	38,848.90
		5			176.82	21,256.77
		6			180.06	23,255.65
		7			183.26	23,634.68
		8			357.44	39,776.63
		9			179.69	17,781.58

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PRODUCTION HISTORY MASTER LISTING
BY LEASE NUMBER

PAGE 1

LEASE NO.	STATE	MONTH	YEAR	Lease Name	Current Barrels	Current Dollars
51342	IN	4	2006	ALLYN COMM NO 1	135.00	21,994.43
		5			362.83	23,915.58
		6			365.73	24,165.61
		7			363.31	25,070.21
		8			179.65	12,155.30
		9			361.46	21,267.59
		10			178.51	9,597.95
		11			371.45	19,942.03
		12			186.31	20,577.01
				TOTAL	2,704.25	168,685.71
51342	IN	1	2007	ALLYN COMM NO 1	185.96	9,157.79
		2			178.74	9,665.01
		3			183.57	10,157.85
		4			176.05	10,345.05
		5			183.46	10,669.12
		6			181.69	11,260.24
		8			179.34	12,006.10
		11			186.30	16,718.00
				TOTAL	1,455.11	89,979.16
51342	IN	4	2008	ALLYN COMM NO 1	182.65	19,566.93
		8			174.98	19,472.12
		10			180.72	12,888.59
				TOTAL	538.35	51,927.64
				LEASE NAME : ALLYN COMM NO 1		
				TOTAL	4,697.71	310,592.51

*** END OF REPORT ***

ZIEMER, STAYMAN, WEITZEL & SHOULDERS, LLP

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December 22, 2008

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⁽³⁾ ALSO ADMITTED IN GEORGIA
⁽⁴⁾ ALSO ADMITTED IN ILLINOIS

VIA ELECTRONIC MAIL
and
U.S. FIRST CLASS MAIL

Herschel McDivitt
Director
Indiana Department of Natural Resources
Division of Oil and Gas
402 West Washington Street
Room W293
Indianapolis, Indiana 46204

RE: Continental Resources, Inc. Section 26, 27 and 34, Township 6 South,
Range 13 West, Posey County, Indiana, Cause No. D06-16-2008

Dear Mr. McDivitt:

In connection with the above-referenced matter, enclosed herewith please find the signed original Post Hearing Position Statement of Kathryn Day Culley.

Please feel free to call me if you have any questions or need additional information.

Very truly yours,

ZIEMER, STAYMAN, WEITZEL & SHOULDERS, LLP



Charles A. Compton

CAC:cdf
Enclosure
cc: Steven T. Link
Kathryn Culley

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**STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS**

IN RE: PETITION OF CONTINENTAL RESOURCES, INC. FOR THE
INTEGRATION OF INTERESTS IN SECTIONS 26, 27 AND 34, TOWNSHIP 6
SOUTH, RANGE 13 WEST, POSEY COUNTY, INDIANA

CAUSE NO. DOG-16-2008

***Post Hearing Position Statement of Kathryn Day Culley, Cause No. DOG-16-2008, Proposed
Nation Road Waterflood Unit (the "Unit").***

Pursuant to the request of the Herschel McDivitt, Director ("Director") of the Division of Oil and Gas of the Indiana Department of Natural Resources (the "Division"), Kathryn Day Culley, by counsel, hereby provides her supplemental position statement following the November 25th, 2008 Informal Hearing in the above captioned matter. Kathryn Culley incorporates by reference her Preliminary Position Statement filed with the Division prior to the Informal Hearing and all documents provided to DNR at the Informal Hearing, and in addition states as follows:

I. Lease Requires per Acre Allocation.

It remains Ms. Culley's position that a valid, binding agreement already exists between and among all applicable parties regarding the appropriate allocation of royalty to Ms. Culley in the event the Division approves the Unit. The lease plainly and unambiguously provides as follows:

"[t]he entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his *[sic]* acreage placed in the unit or his *[sic]* royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit."

The lease makes no distinction whatsoever in applying the above allocation to units for primary, secondary or tertiary recovery. All are to be allocated on a per acre basis.

Where the parties have privately agreed to an allocation of royalty in the event of unitization, the Division should not, nor do they have the authority to, change the allocation. Such a position has been echoed by Continental Resources in these proceedings, so we do not believe there is any dispute on that point. Subject to compliance with the provision cited above with respect to the allocation of royalty to Ms. Culley from the Unit, Ms. Culley has no objection to the proposed waterflood operation.

II. Continental Resources' Proposed Integration Terms and Royalty Allocation are Neither Reasonable nor Equitable.

Continental Resources has petitioned that the Division integrate Kathryn Culley's interests with the interests of all other affected lessors in the area containing the proposed Nation Road waterflood unit, all pursuant to the terms of a proposed Unitization Agreement attached to its Petition. The relief requested by Continental Resources is neither reasonable nor equitable, nor is it permitted by I.C. 14-37-9-1. Kathryn Culley does not waive or position as set forth in I. above. However, even if an allocation basis other than acreage is permitted by law, Continental Resources' proposed allocation is not entitled to deference and moreover must not be approved as a matter of law.

A. Only Renault Formation to be Flooded. Continental Resources' proposed Unitization Agreement contemplates integration of interests related to, and a single royalty allocation for, all zones within the affected area. Continental Resources' Petition is based on I.C. 14-37-9-1 (a) (2), which permits integration of lands "within a pool or part of a pool suitable for secondary recovery methods." It is important to note that Continental Resources is only proposing secondary recovery for the Renault Formation. Yet, its requested order and proposed Unitization Agreement contemplate integration of, and a uniform allocation of royalty for, all zones. It is clearly unreasonable and inequitable for the Division to order integration of and allocate royalty for zones that are not presently producing. In addition, there are presently two active wells producing from the Hardinsburg Formation within the proposed unitization area, one of which is within the Culley tract. However, there is no secondary recovery contemplated for the Hardinsburg Formation, and moreover Continental Resources has provided no information or data to justify integration of the Hardinsburg Formation or proper allocation of royalty from the Hardinsburg Formation, to the extent the Division has authority to order integration of the Hardinsburg Formation.

B. Continental Resources' Proposed Allocation Formula Relies on Flawed or Outdated Data. Continental Resources has proposed the following formula for allocation of royalty: 30% factor for cumulative lease production; 30% factor for previous 12 mo. lease production; 30% Renault Hydrocarbon Pore Value (HCPV); and 10% factor for Renault Useable Wells. Continental Resources further proposes that the Division use the same formula and input data.

As noted at the Informal Hearing, Continental Resource's proposed data for prior 12 month and cumulative production was significantly outdated as of the date of its Petition (nearly 9 months), was nearly 11 months outdated as of the date of the Informal Hearing, and is now outdated by almost an entire year. To the extent data for cumulative and prior 12 month production is relevant for a reasonable and equitable allocation of royalty by order of the Division, the Division *must* use reasonably current data. Relying on outdated data as proposed by Continental Resources is neither reasonable nor equitable, and more significantly - as demonstrated by Kathryn Culley at the Informal Hearing - use of such outdated data operates to the substantial prejudice of Kathryn Culley. To the extent the Division incorporates data for cumulative production or prior 12 month production in any royalty allocation, it must use the more current data provided by Kathryn Culley at the Informal Hearing.

In addition, Continental Resources has proposed that the Culley lease be credited for only 1 Renault Useable Well, despite the fact that 2 wells on the Culley Lease have been completed in the Renault Formation. Continental Resources bases its position on an assertion that when the Culley 2 well was completed in the Renault Formation, it gave up little fluid. However, this well is clearly producing oil, and Continental Resources does not assert that this well produces no oil from the Renault Formation, nor does it assert that it will not produce from the Renault Formation once the waterflood commences. When this well was completed within the Renault Formation, Kathryn Culley specifically requested that it be hydrofractured. Continental Resources indicated that it would not hydrofracture the Renault Formation at that time, but in response to a specific request of Kathryn Culley as to future intentions, Continental Resources expressly *would not* commit to refrain from Hydrofracturing in the future. Moreover, an inspection of the property reveals that Continental Resources has left an open pit at the Culley 2 well, and has installed piping for multiple flow lines beneath the County Road that separates the Culley lease from the Allyn lease, where the tank battery is located. By such actions, Continental Resources is preparing for, and leaving open the potential of, utilizing the Culley 2 well, either as an injection well or a producing well.

The Culley 2 well should be given complete, or at a minimum partial, credit within any formula that incorporates Renault Useable Wells as an allocation factor. As set forth in the following Section, however, it is Kathryn Culley's position that Renault Useable Wells should not be a factor in determining royalty allocation, so whether or not the Culley 2 well is or is not given any credit as a Renault Useable Well would be rendered moot in a determination of reasonable and equitable royalty allocation.

C. Continental Resources Formula is Flawed. As provided in B above, Continental Resources has proposed a 30/30/30/10 weighted formula for allocating production, utilizing cumulative production, prior 12 month production, Renault HCPV, and Renault Useable Wells as weighted inputs. However, the essence of a unitization agreement is to disregard the location of the oil's point of extraction and share the future production on an allocable basis, no matter the location of the extraction point. This is particularly germane to waterflooding, since there is an express acknowledgment that presently in place hydrocarbons will be driven across lease boundaries. Accordingly, it should not matter where the applicable producing well is located, or how many wells are on a particular lease. Thus, "Renault Useable Wells" should be wholly disregarded by the Division in allocating royalties.

What can be of pertinent significance, if leasehold acreage is disregarded, is where the applicable in-place hydrocarbons are located today, before commencement of the waterflood. In other words, what are the relative Renault HCPV values of the leases, since it is these hydrocarbons that will be driven about and recovered in the waterflood. Based upon Continental Resources' own HCPV value computation, 35.35% of the Renault oil is located within the portion of the Culley lease to be included within the proposed unit. Yet Continental Resources proposes that only 28.368% of the royalties be allocated to the Culley lease.

Even if the Division determines to use a factor or factors other than Renault HCPV, Renault HCPV should not be less than at least half of the equation. Further, if another factor is used, the next most reasonable factor would be cumulative production from the respective leases. Based upon a *current* cumulative production factor for the Culley lease of 29.72%, and even if one weighted that equally with Continental Resources' Renault HCPV computation for the

Culley lease, the allocation percentage for the Culley lease would be 32.54%, again materially higher than the 28.368 factor proposed by Continental Resources.

Continental Resources has implemented a flawed approach to allocating royalties in the instant case, and most importantly to Kathryn Culley, they have implemented an approach that unreasonably and inequitably devalues the allocation percentage for the Culley lease. In fact, it is an unfair approach that caused Delwyn Parker, a geologist and contractor for Continental Resources for the subject properties, to advise Kathryn Culley at the outset that, in his assessment, the allocation being proposed by Continental Resources was unfair. When questioned at the Informal Hearing about the particular formula utilized by Continental Resources, Continental Resources replied – without supporting documentation – that it considered multiple formulae before arriving at the proposed 30/30/30/10 formula. Now, however, Kathryn Culley has been advised by Continental Resources that none of these alternate calculations were “saved,” nor can they even reproduce the alternate formulae that were purportedly considered.

III. Conclusion

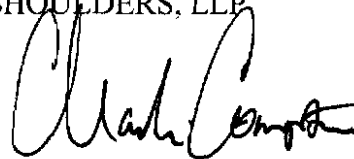
The Culley lease contains 80 of the 140 acres to be contained within the proposed unit, or 57.14% of the acreage. The lease provisions cited above provide as a matter of contract that the royalty allocation in the event of unitization should be based upon pro-rata acreage. Such provisions should be given deference. Even if they are not, there is no basis or authority for the Division unitizing or allocating royalty from formations other than the Renault Formation.

Moreover, if the Division were to allocate royalties for Renault Formation production on a basis other than surface acreage, Renault HCPV should be the most prominent factor, not a mere 30% of the equation, and Renault Useable Wells should be wholly disregarded. Finally, if cumulative or recent production is to be considered, the Division should base the computation on current factors, not factors that are now one year out of date.

Dated this 22nd day of December, 2008.

Respectfully submitted,

ZIEMER, STAYMAN, WEITZEL &
SHOULDERS, LLP



Charles A. Compton

cc: Kathryn Day Culley
Steve Link

Cont
11-25-08

Nations Road Stimulation Treatments

Allyn #1

Renault: Stim w/ 500 gal 15% MCA. Frac w/ 1210 gal GSW & 2000 lbs 20/40 sand
Renault perforations f/ 2682'-2690'

Allyn #2

Renault: Stim w/ 500 gal HCl. Frac w/ 3810 gal GSW & 2000 lbs 20/40 sand
Renault perforations f/ 2699'-2706'

Allyn #4

Renault: Stim w/ 500 gal HCl. Frac w/ 3962 gal GSW & 2000 lbs 20/40 sand
Renault perforations f/ 2685'-2692'

Allyn Comm #1

Hardinsburg: Stim w/ 900 gal MCA. Frac w/ 6,750 gal GSW & 8,000 lbs 20/40 sand.
Renault: Stim w/ 250 gal HCl. Frac w/ 1500 gal GSW & 2000 lbs 20/40 sand.
Hardinsburg perforations f/ 2200'-2214'
Renault perforations f/ 2690'-2696'

Cully #1

Renault: Stim w/ 1500 gal gelled wtr, 1500 gal 15% HCl w/ 250 lbs rice size rock salt, 1500 gal gelled wtr. Shot w/ 8' gas gun. Frac w/ 1,500 gal GSW & 2000 lbs 20/40 sand.
Renault perforations f/ 2725'-2732'

Cully #2

Hardinsburg: Stim w/ 500 gal 15% MCA. Frac w/ 500 gal acid, 6750 gal XL-30, & 8,000 lbs 20/40 sand
Renault: Stim w/ 500 gal 15% HCl - very little fluid given up
Hardinsburg perforations f/ 2276'-2283'
Renault perforations f/ 2745'-2747'

CABORN WEST FIELD, POSEY COUNTY, IN
RENAULT SAND
RW =0.06

Well	KB	Depth		Subsea Top	Net Pay	Porosity %	Sw	So	Por-ft	So-Por-ft	k, md	Comments
		Top	Btm									
Allyn #2	402	2,699	2,704	-2,297	5.0						18.0	
Allyn #1	405	2,683	2,690	-2,278	8.5	13.4	0.346	0.654	1.139	0.745	299.0	
Allyn #4	416	2,683	2,691	-2,267	6.6	11.0	0.460	0.540	0.726	0.392	30.0	
Allyn Comm #1	408	2,692	2,696	-2,284	4.0	10.8	0.558	0.442	0.432	0.191		Hardinsburg
Culley #1	440	2,725	2,732	-2,285	5.5	13.0	0.422	0.578	0.715	0.413	14.5	
Culley #2	469	2,744	2,750	-2,275	4.0	7.8	0.683	0.317	0.312	0.099		Hardinsburg
				-2,278	28.6	11.62	0.554	0.446	3.324	1.840		

NORRIS

WELL SERVICES

GR/DIFL/SP

GLASGOW KY - 270-651-8737

Company CONTINENTAL RES. OF IL
Well CULLEY #2
Field CABORN
County POSEY
State IN

Company CONTINENTAL RESOURCES of IL INC
Well CULLEY #2
Field CABORN
County POSEY
State IN

Location 330S 330E
SE SE SE
27-6S-13W
PERMIT #52719
Other Services
GR/CN/CD/ML
Elevation
K.B. 469
D.F. 468
G.L. 462

Permanent Datum
Log Measured From
Casing Measured From

GL
KB 7' ABOVE GL
KB
Elevation 462

Date	10-15-05
Run Number	ONE
Depth Driller	2970
Graph Logger	2971
Bottom Logged Interval	2971
Log Interval	90
Casing Driller	8.625 @ 95
Casing Logger	95
Size	7 875
Type Fluid in Hole	GEL CHEM
Viscosity / Viscosity	9.4 LB / 100 SEC
Fluid Loss	9.5 / 8.8
Source of Sample	FLOWLINE
n @ Meas Temp	2.28 @ 80
n @ Meas Temp	1.71 @ 80
n @ Meas Temp	2.85 @ 80
Source of Rmt / Rmc	CALCULATED
n @ BHT	2.2 @ 90
Time Circulation Stopped	1430
Time Logger on Bottom	1630
Maximum Recorded Temperature	90F
Equipment Number	15
Location	GLASGOW KY
Recorded By	S.S. NORRIS

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Comments

RIG: #2 SOUTHERN TRIANGLE
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #11201

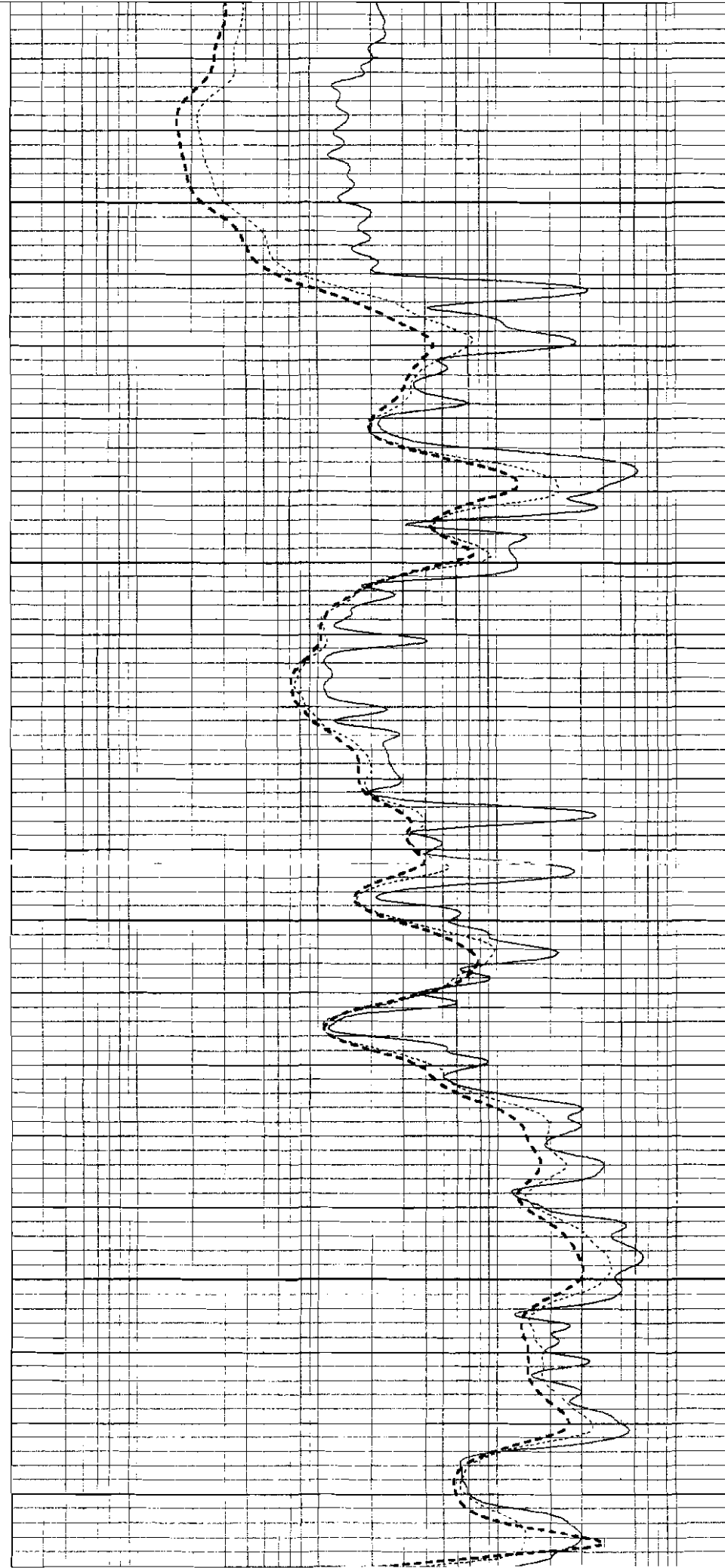


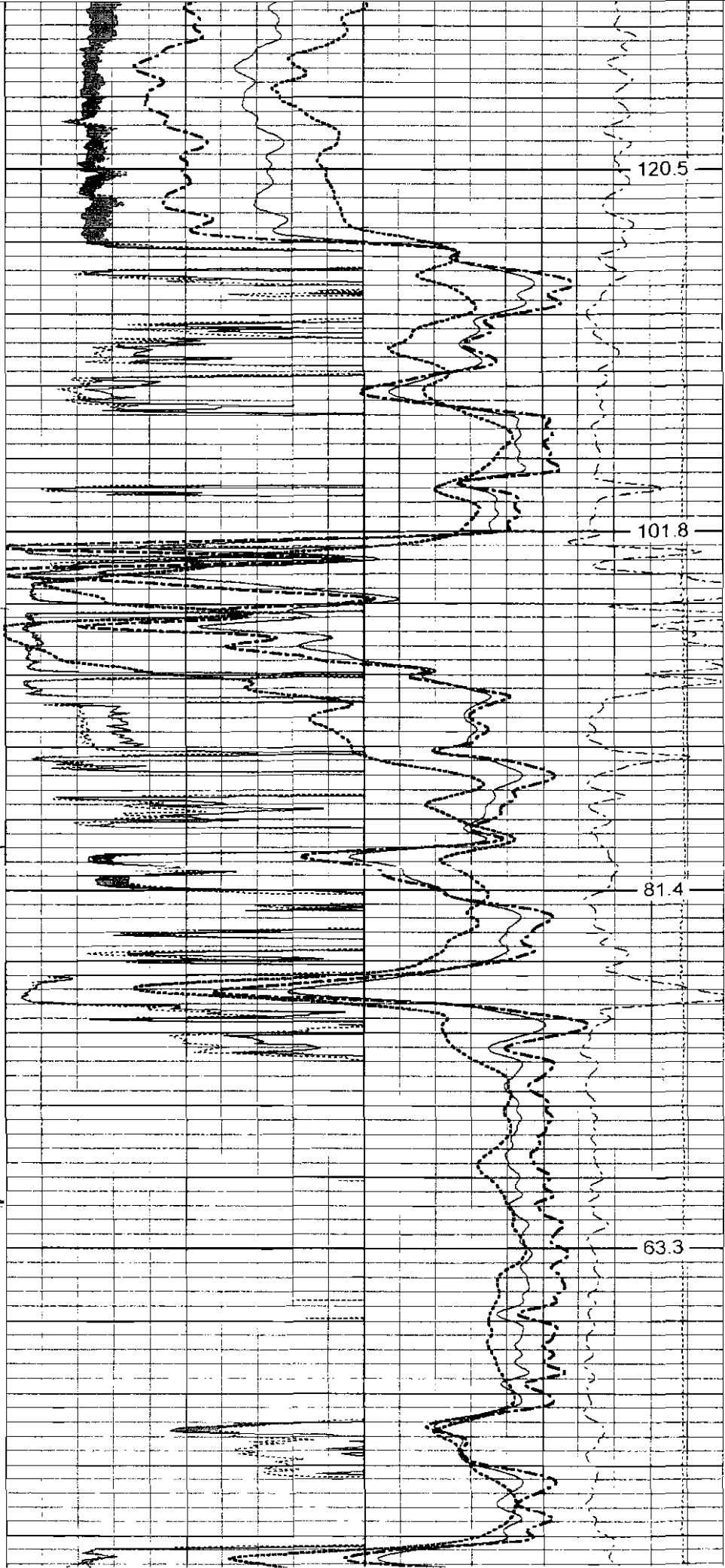
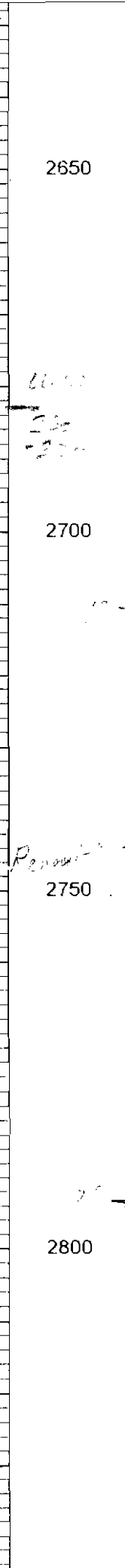
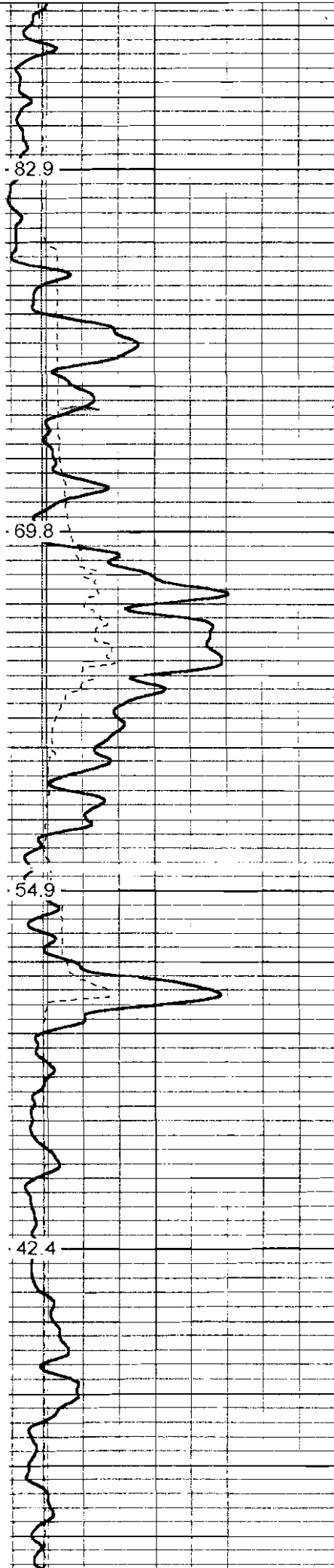
2650

2700

2750

2800







COMPENSATED DENSITY LOG COMPENSATED NEUTRON LOG GAMMA RAY / CALIPER MICROLOG

Company CONTINENTAL RES. OF IL.

Well ALLYN COMM # 1

Field CABORN WEST

County POSEY State INDIANA

Location: API # Other Services

330N 330E SW 1/4 11E

DIL

SEC 34 TWP 6S RGE 13W

Elevation

Permanent Datum GROUND LEVEL Elevation 400'

Log Measured From KELLY BUSHING @ 5'

K B 400'

Drilling Measured From KELLY BUSHING

D F 400'

GL 400'

Date	2-17-08
Run Number	TWO / THREE
Depth Driller	2910'
Depth Logger	2910'
Bottom Logged Interval	2900'
Top Log Interval	90'
Casing Driller	8 5/8" @ 95'
Casing Logger	90'
Bit Size	7 7/8"
Type Fluid in Hole	GEL
Density / Viscosity	9.3 / 65
pH / Fluid Loss	9.0 / 8.0
Source of Sample	FLOWLINE
Rm @ Meas Temp	2.35 @ 71
Rmf @ Meas Temp	1.78 @ 71
Rmc @ Meas Temp	2.94 @ 71
Source of Rmf / Rmc	CALC
Rm @ BHT	1.79 @ 93
Time Circulation Stopped	2 HOURS
Time Logger on Bottom	03.45
Maximum Recorded Temperature	93
Equipment Number	# 205
Location	FLORA, IL.
Recorded By	R. PAYNE

Field Data

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Comments

PERMIT # 52797

CREW: T. SIMPSON

LOG RAN ON LIMESTONE MATRIX.

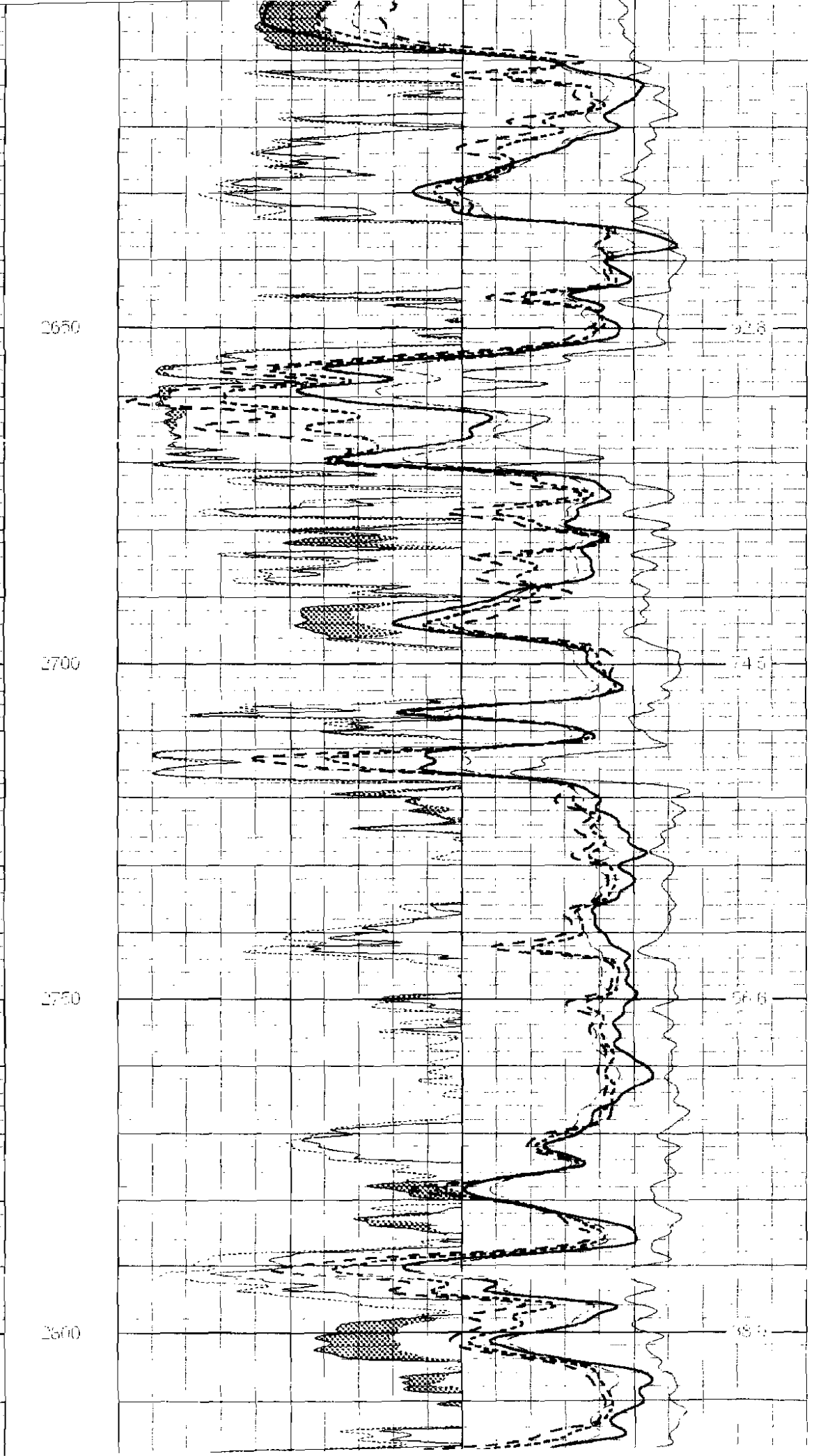
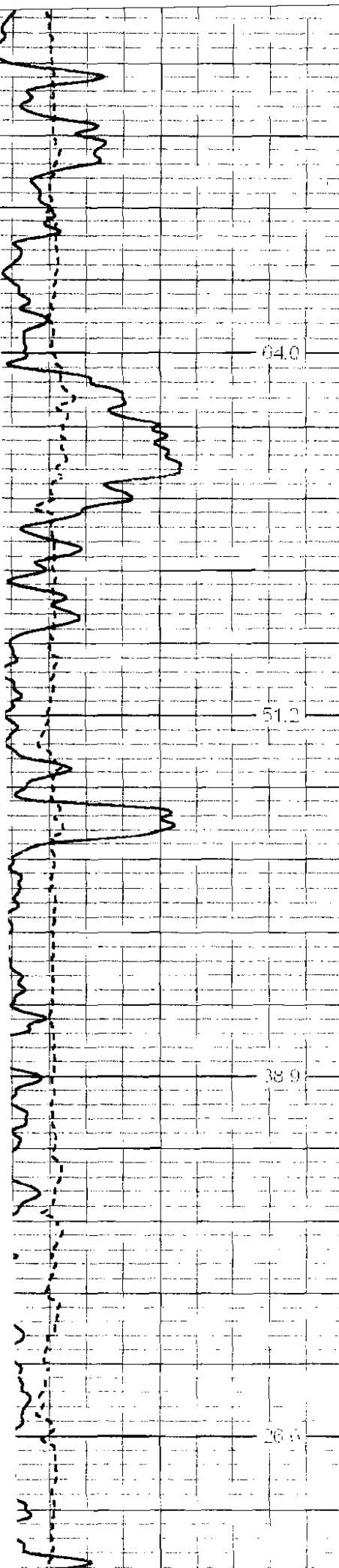
VOLUME FIGURED ON 4.5" CASING.

MICROLOG MERGED FROM THIRD RUN.

THANK YOU!



MAIN DASS





DUAL INDUCTION LOG GAMMA RAY / SP

Company CONTINENTAL RES. OF IL.

Well ALLYN COMM # 1

Field CABORN WEST

County POSEY State INDIANA

Location: API #: Other Services
CDL/CNL
ML
330N 330E SW 1/4 NE
SEC 34 TWP 6S RGE 13W
Permanent Datum GROUND LEVEL Elevation 400'
Log Measured From KELLY BUSHING @ 3' KB 400'
Drilling Measured From KELLY BUSHING ID F 400'
G.L. 400'

Date	2/17/06		
Run Number	ONE		
Depth Driller	2910'		
Depth Logger	2910'		
Bottom Logged Interval	2909'		
Top Log Interval	90'		
Casing Driller	8 5/8" @ 95'		
Casing Logger	90'		
Bit Size	7 7/8"		
Type Fluid in Hole	GEL		
Density / Viscosity	9.3 / 65		
pH / Fluid Loss	9.0 / 8.0		
Source of Sample	FLOWLINE		
Rm @ Meas. Temp	2.35 @ 71		
Rmf @ Meas. Temp	1.76 @ 71		
Rmc @ Meas. Temp	2.94 @ 71		
Source of Rmf + Rmc	CALC		
Rm @ BHT	1.79 @ 93		
Time Circulation Stopped	2 HOURS		
Time Logger on Bottom	03:45		
Maximum Recorded Temperature	93		
Equipment Number	# 205		
Location	FLORA, IL.		
Recorded By	R. PAYNE		

15 Fold Here

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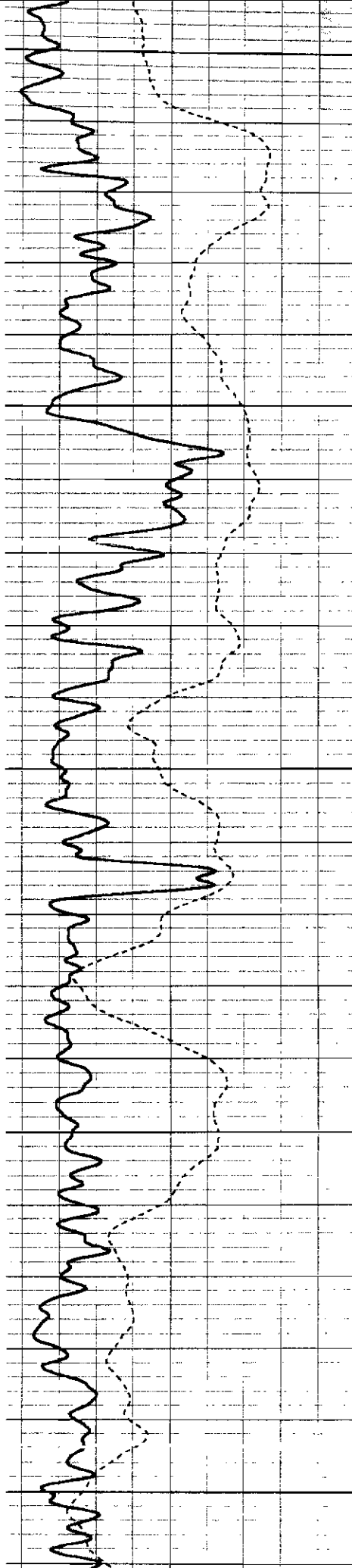
Comments

PERMIT # 52797

CREW: T. SIMPSON



MAIN PASS



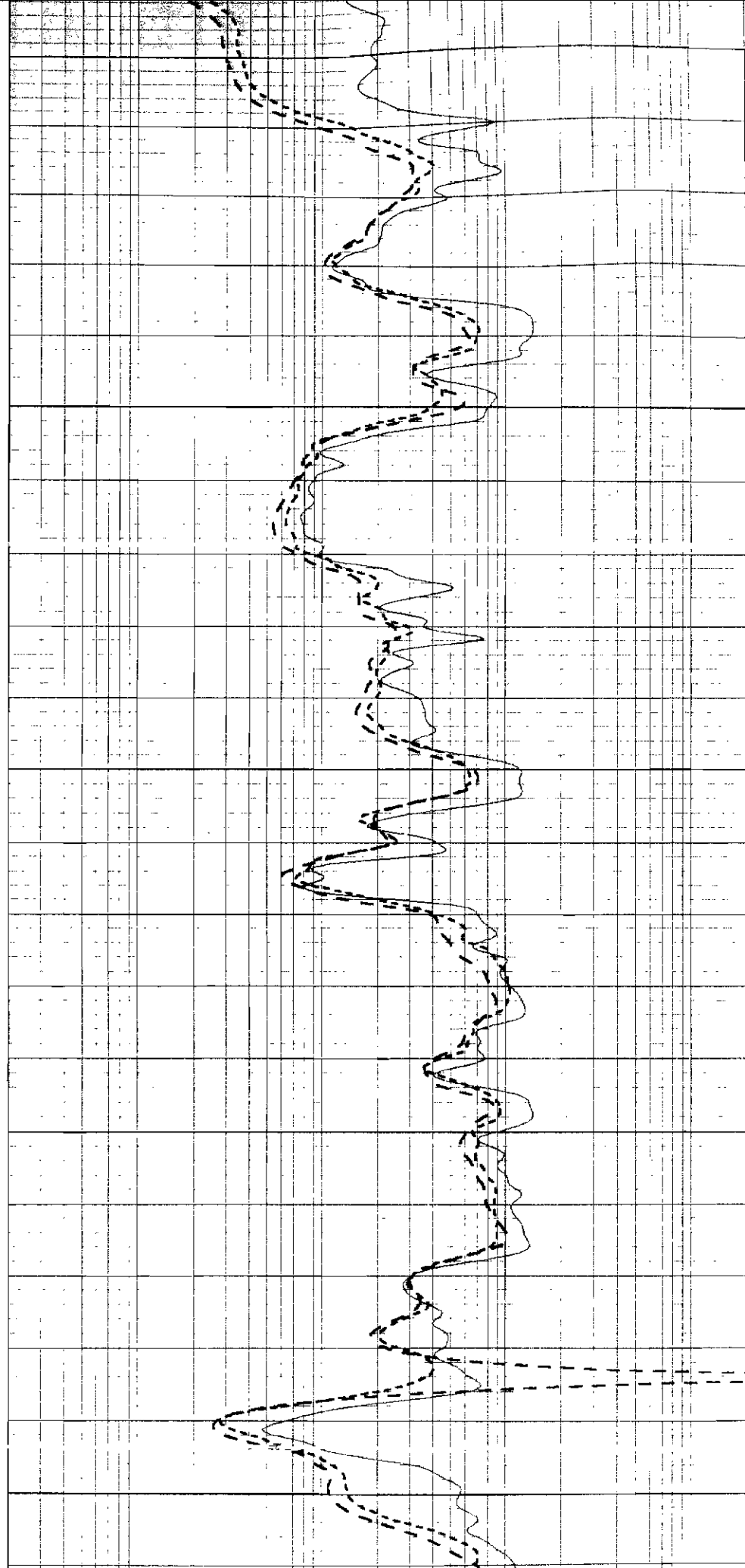
2600

2650

2700

2750

2800



NORRIS

WELL SERVICES

GR/CN/CD/ML

GLASGOW KY — 270-651-8737

Company CONTINENTAL RES. OF IL
Well ALLYN COMM #2
Field CABORN
County POSEY
State IN

Company CONTINENTAL RESOURCES of IL INC
Well ALLYN COMM #2
Field CABORN
County POSEY
State IN

Location 330N 330E
SE NE NE
34-6S-13W
PERMIT #52927

Other Services
GR/DIFL/SP

GL
KB 8' ABOVE GL
KB

Elevation 403

Elevation
K.B. 411
D.F. 411
G.L. 403

Well Number	05-29-06		
Depth Driller	ONE		
Depth Logger	2889		
Bottom Logged Interval	2897		
Depth Log Interval	2895		
Depth Driller	98		
Depth Logger	8 625 @ 94		
Size	94		
Weight in Hole	7.875		
Viscosity	GEL CHEM		
Fluid Loss	9.4 LB / 80 SEC		
Flow Line	9.5 / 9.6		
Flow Line	FLOWLINE		
1 @ Meas. Temp	2.42 @ 80		
1 @ Meas. Temp	1.82 @ 80		
1 @ Meas. Temp	3.03 @ 80		
1 @ Meas. Temp	CALCULATED		
1 @ BHT	2.24 @ 89		
1 @ BHT	200		
1 @ BHT	610		
1 @ BHT	89F		
1 @ BHT	15		
1 @ BHT	GLASGOW KY		
1 @ BHT	S.S. NORRIS		

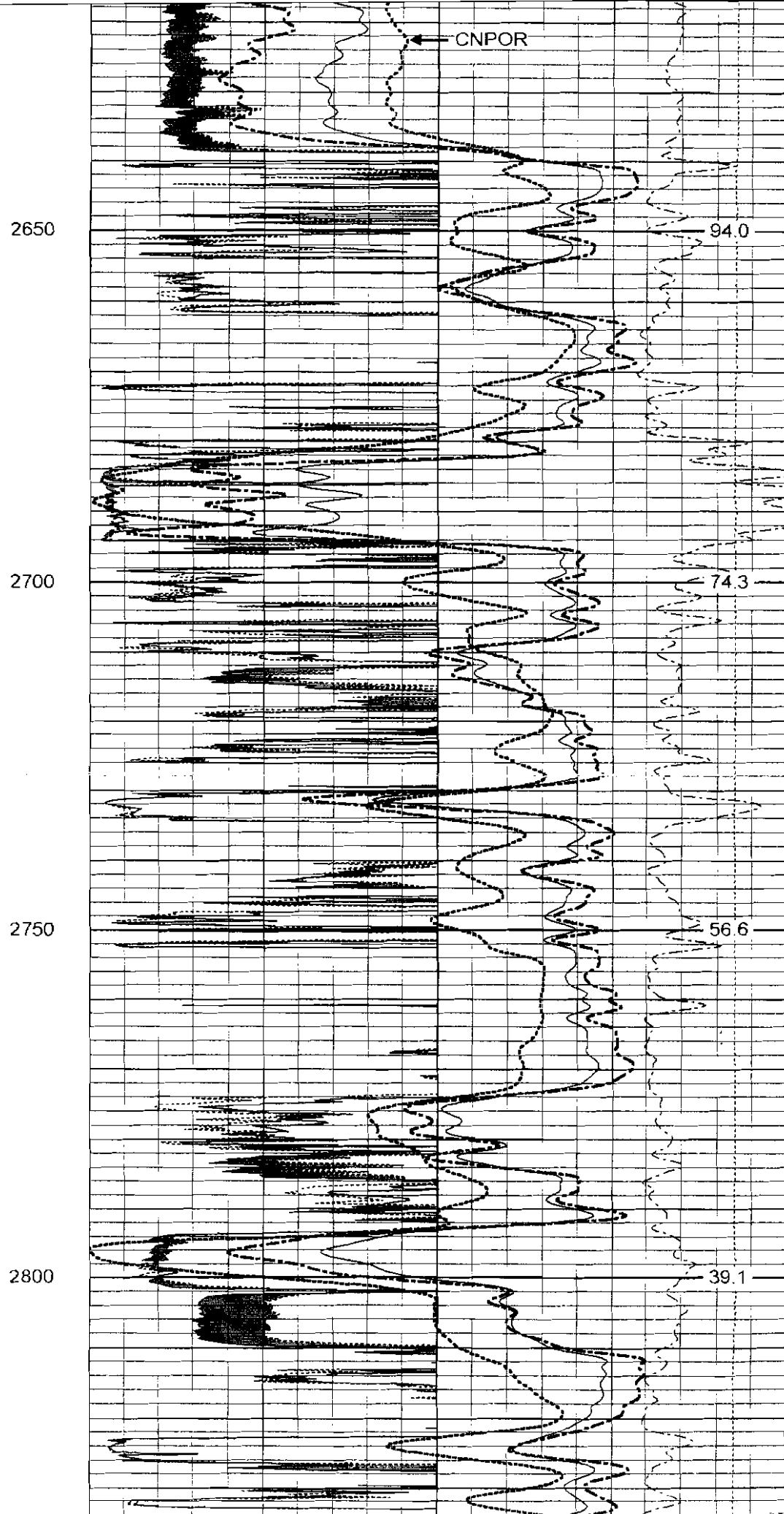
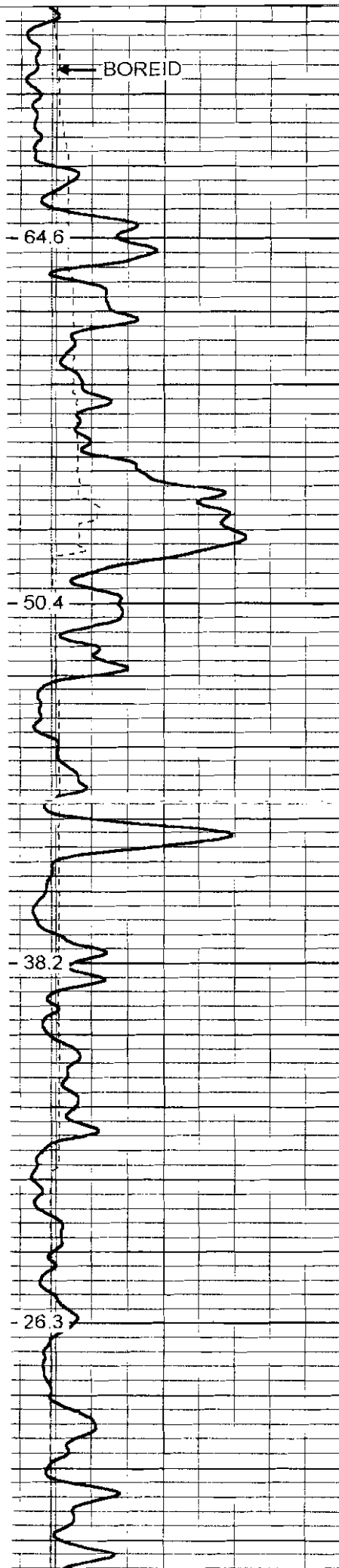
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Comments

RIG: #14 GEO N MITCHELL DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #11432

Database File: 11432.db
Dataset Pathname: run2/pass3
Presentation Format: fgndm
Dataset Creation: Mon May 29 06:39:23 2006 by Log 6.2_B3



NORRIS

WELL SERVICES

GR/DIFL/SP

GLASGOW KY - 270-651-8737

Company CONTINENTAL RES. OF IL
Well ALLYN COMM #2
Field CABORN
County POSEY
State IN

Company CONTINENTAL RESOURCES of IL INC
Well ALLYN COMM #2
Field CABORN
County POSEY
State IN

Location
330N 330E
SE NE NE
34-6s-13W
PERMIT #52927

Other Services
GR/CN/CD/ML

Permanent Datum
Elevation Measured From
KB
KB
KB

Elevation
403

Elevation
KB 411
D.F. 411
G.L. 403

Date
05-29-06

Well Number
ONE

Depth Driller
2899

Depth Logger
2897

Bottom Logged Interval
2897

Depth Log Interval
90

Logging Driller
8.625 @ 94

Logging Logger
94

Size
7.875

Type Fluid in Hole
GEL CHEM

Density / Viscosity
9.4 LB / 80 SEC

Fluid Loss
9.5 / 9.6

Source of Sample
FLOWLINE

Depth @ Meas Temp
2.42 @ 80

Depth @ Meas. Temp
1.82 @ 80

Depth @ Meas. Temp
3.03 @ 80

Source of Rmt / Rmc
CALCULATED

Depth @ BHT
2.24 @ 89

Time Circulation Stopped
200

Time Logger on Bottom
505

Maximum Recorded Temperature
89F

Equipment Number
15

Location
GLASGOW KY

Recorded By
S.S. NORRIS

Comments

RIG: #14 GEO N MITCHELL DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #11432

LTEN →

2650

2700

2750

2800

RILD →

NORRIS

WELL SERVICES

GR/CN/CD/ML

GLASGOW KY — 270-651-8737

Company	CONTINENTAL RES. of IL	Company	CONTINENTAL RESOURCES of IL INC
Well	ALLYN #1	Well	ALLYN #1
Field	CABORN WEST	Field	CABORN WEST
County	POSEY	County	POSEY
State	IN	State	IN
Location	NW NE NE 330N 330W 34-6S-13W PERMIT #52580		
Other Services	GR/D/FL/SP		

Permanent Datum	GL	Elevation	401
Log Measured From	KB		
Drilling Measured From	KB		

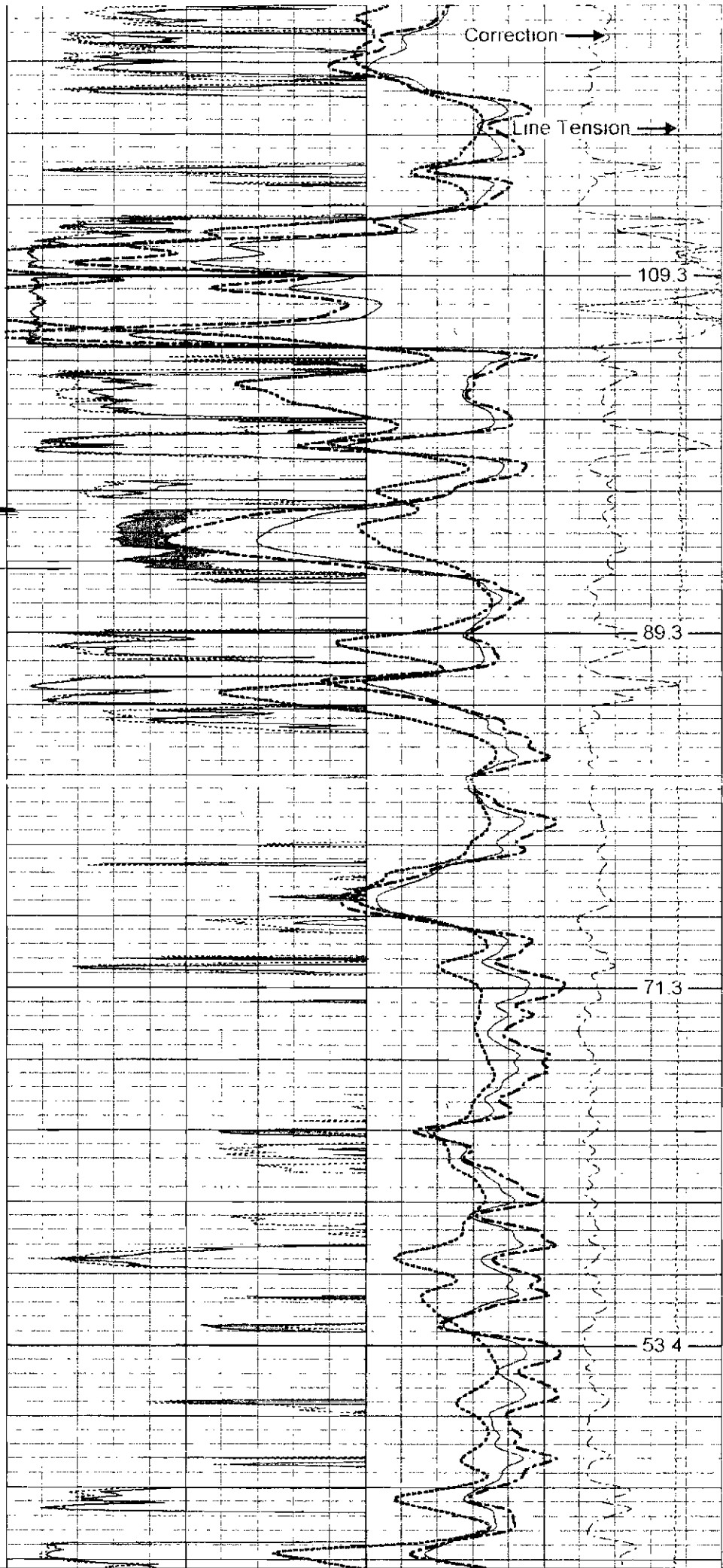
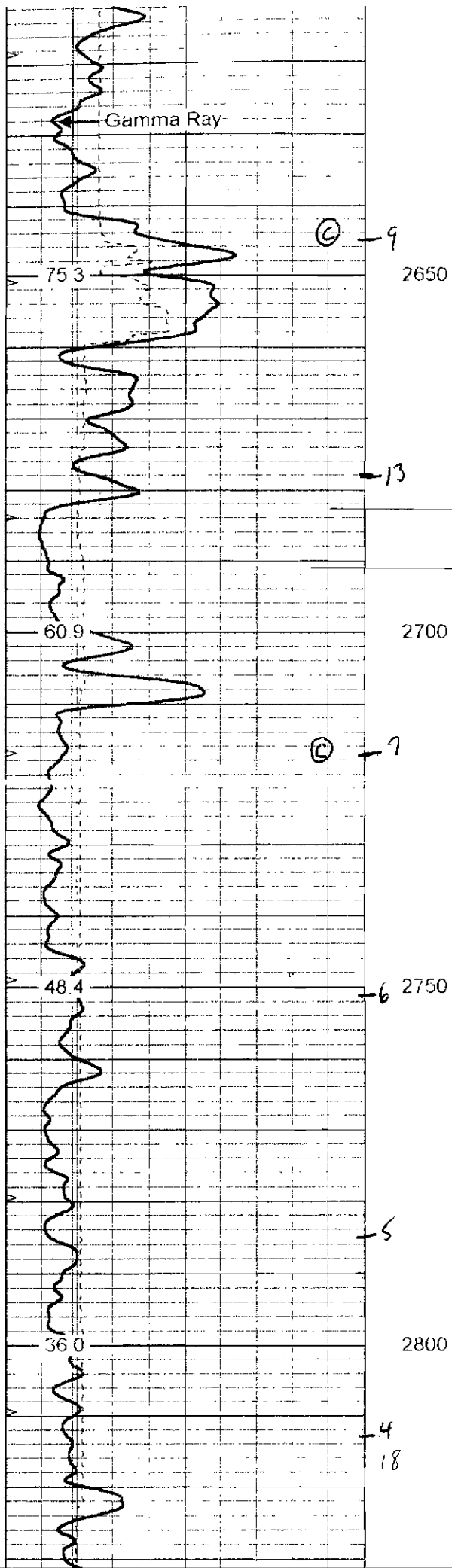
Date	03-19-05
Run Number	ONE
Depth Driller	2948
Depth Logger	2943
Bottom Logged Interval	2943
Top Log Interval	90
Casing Driller	8.625 @ 95
Casing Logger	95
Bit Size	7.875
Type Fluid in Hole	GEL CHEM
Density / Viscosity	9.2 LB / 70 SEC
pH / Fluid Loss	9.5 / 8.0
Source of Sample	FLOWLINE
Rm @ Meas Temp	3.49 @ 70
Rmf @ Meas Temp	2.79 @ 70
Rmc @ Meas Temp	4.19 @ 70
Source of Rmf / Rmc	CALCULATED
Rm @ BHT	2.83 @ 90
Time Circulation Stopped	2110
Time Logger on Bottom	0120
Maximum Recorded Temperature	90F
Equipment Number	15
Location	GLASGOW KY
Recorded By	S.S. NORRIS

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Comments

RIG: #3 MORGAN DRILLING
 THANK YOU FOR USING NORRIS WELL SERVICES INC
 INV. #10979



NORRIS

WELL SERVICES

GLASGOW KY — 270-651-8737

GR/DIFL/SP

Company	CONTINENTAL RESOURCES of IL INC		
Well	ALLYN #1		
Field	CABORN WEST		
County	POSEY	State	IN
Location	NW NE NE 330N 330W 34-6s-13W PERMIT #52580		Other Services GR/CN/CD/ML
Permanent Datum	GL	Elevation	401
Log Measured From	KB	4' ABOVE GL	KB 405 DF 403 GL 401
Drilling Measured From	KB		
Date	03-18-05		
Run Number	ONE		
Depth Driller	2948		
Depth Logger	2943		
Bottom Logged Interval	2943		
Top Log Interval	90		
Casing Driller	8 025 @ 95		
Casing Logger	95		
Bit Size	7.875		
Type Fluid in Hole	GEL CHEM		
Density / Viscosity	9.2 LB / 70 SEC		
API / Fluid Loss	9.5 / 8.0		
Source of Sample	FLOWLINE		
Rm @ Meas Temp	3.49 @ 70		
Rmf @ Meas. Temp	2.79 @ 70		
Rmc @ Meas. Temp	4.19 @ 70		
Source of Rmf / Rmc	CALCULATED		
Rm @ BHT	2.83 @ 90		
Time Circulation Stopped	2110		
Time Logger on Bottom	2359		
Maximum Recorded Temperature	90F		
Equipment Number	15		
Location	GLASGOW KY		
Recorded By	S S NORRIS		

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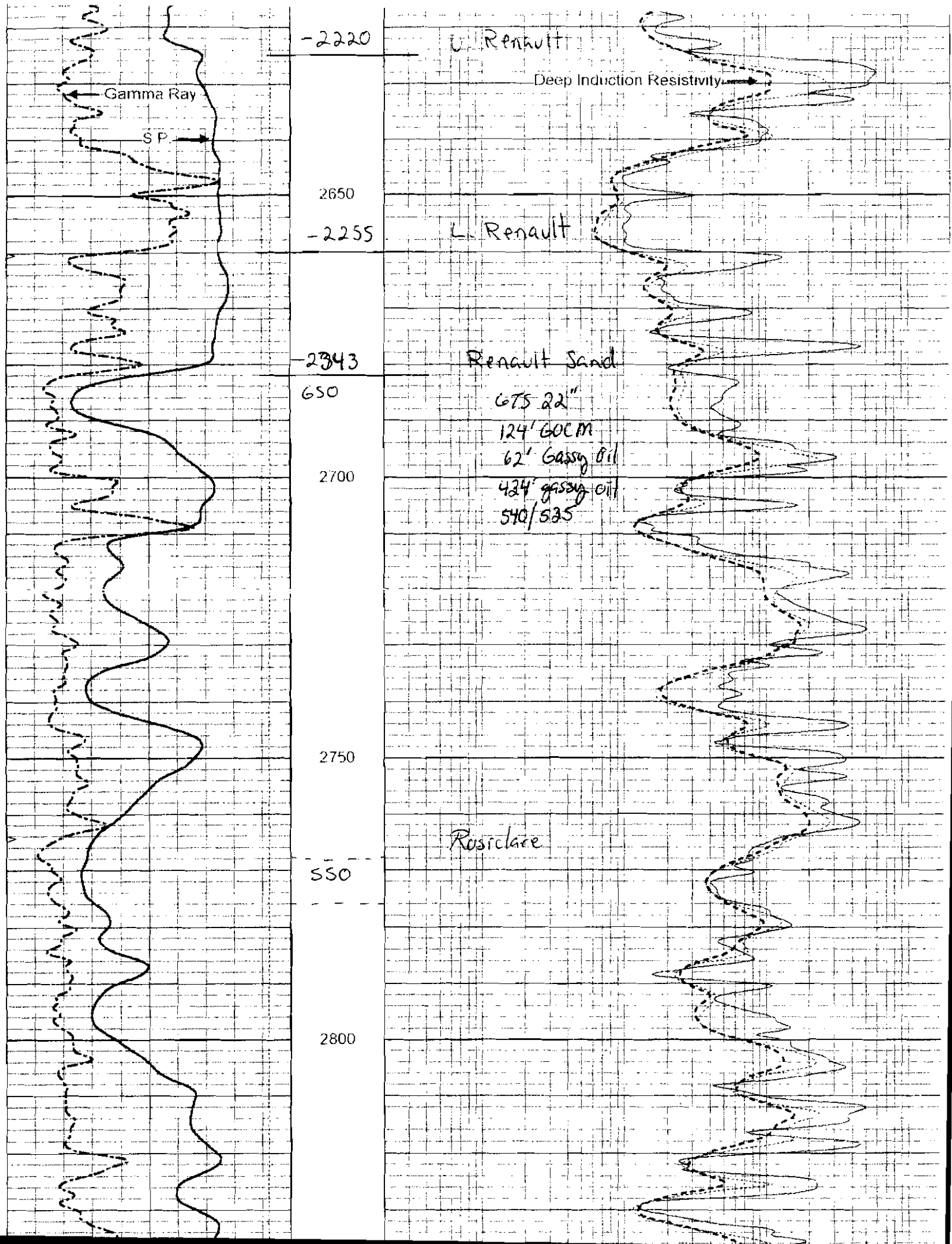
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Comments

RIG: #3 MORGAN DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #10979

NORRIS

IN CONNECTION



NORRIS

WELL SERVICES

GLASGOW KY - 270-651-8737

GR/DIFL/SP

Company CONTINENTAL RES. of IL		Company CONTINENTAL RESOURCES of IL INC
Well ALLYN #2	Well ALLYN #2	
Field CABORN WEST	Field CABORN WEST	
County POSEY	County POSEY	
State IN	State IN	
Location	33CN 990W NW NE 3 rd 20-6S-13W PERMIT #52643	Other Services GR/CN/CD/ML

Permanent Datum	GL	Elevation	398
g Measured From	KB 4 ABOVE GL		
g Measured From	KB	Elevation	KB 402 D.F. 401 GL 398

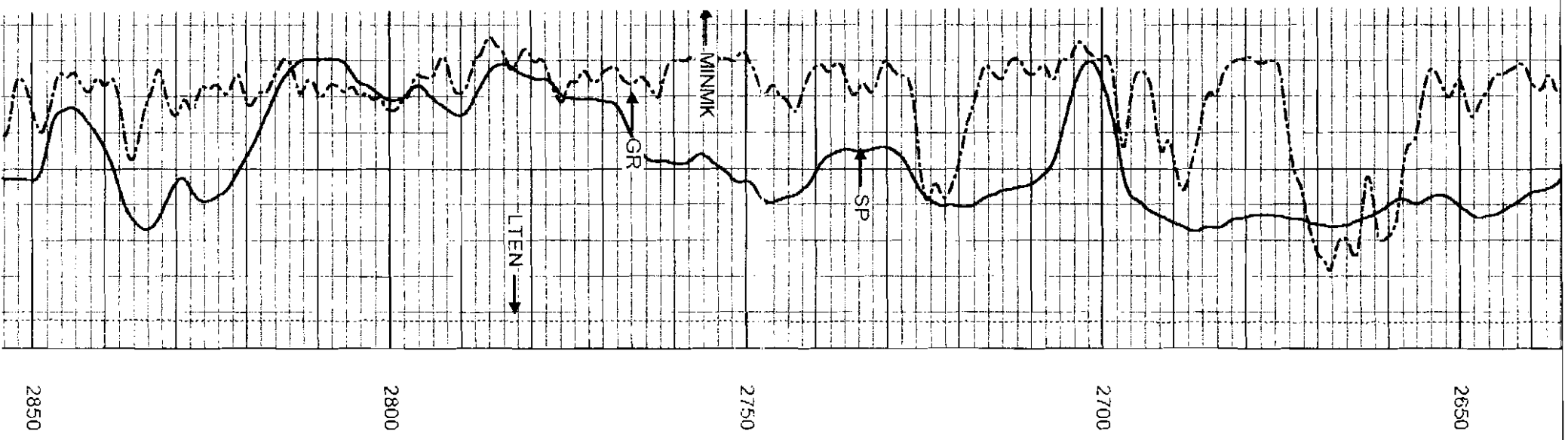
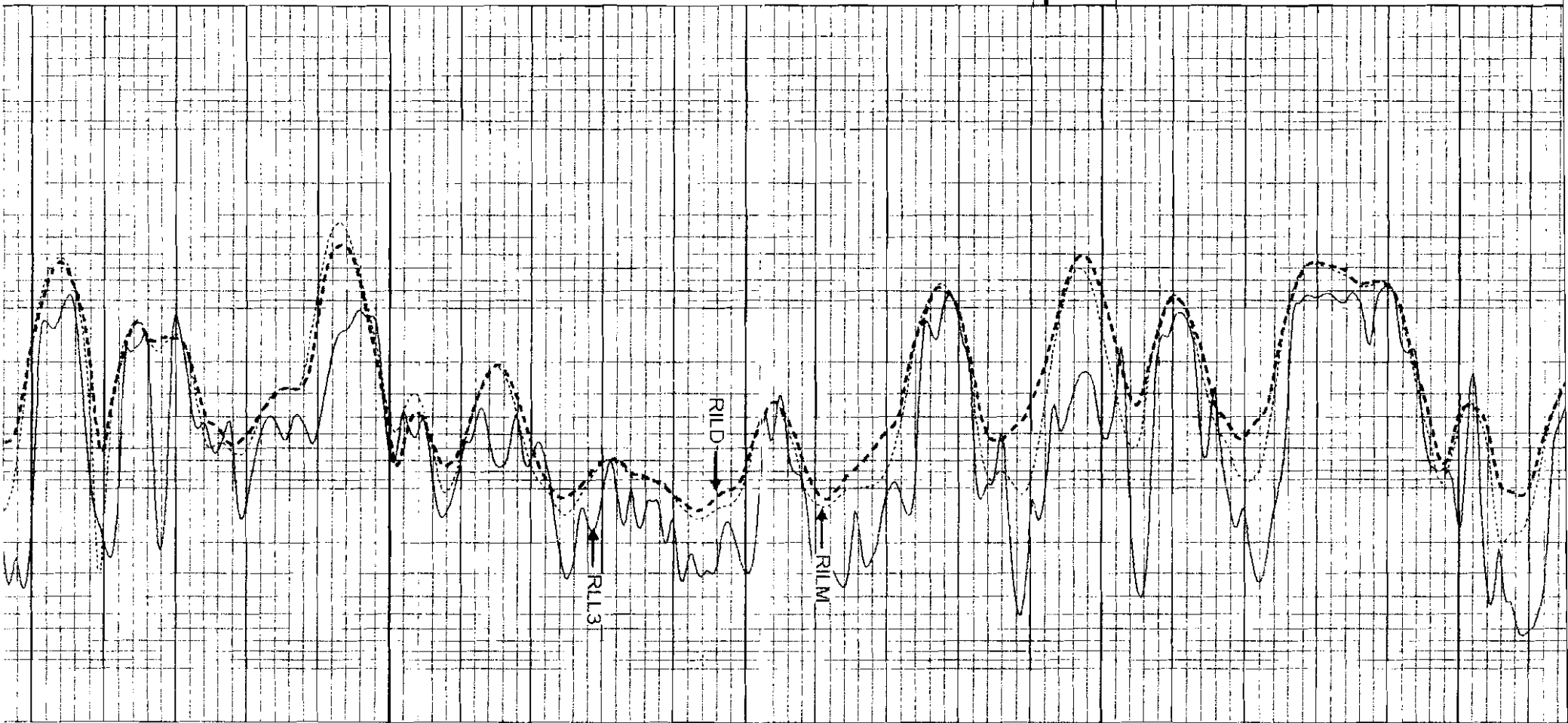
Well Number	ONE	08-18-05	
Depth Driller	2942		
Depth Logger	2942		
Bottom Logged Interval	2942		
Top Log Interval	90		
Logging Driller	8 625 @ 94		
Logging Logger	93		
Size	7 875		
Open Fluid in Hole	GEL CHEM		
Density / Viscosity	9.2 LB / 65 SEC		
API Fluid Loss	9.0 / 7.2		
Core of Sample	FLOWLINE		
Core @ Meas. Temp	1.90 @ 80		
Core @ Meas. Temp	1.42 @ 80		
Core @ Meas. Temp	2.37 @ 80		
Core of Rinf / Rmc	CALCULATED		
Core @ BHT	1.60 @ 90		
Core @ BHT	1615		
Core @ BHT	1850		
Core @ BHT	90F		
Core @ BHT	15		
Core @ BHT	GLASGOW KY		
Core @ BHT	S.S. NORRIS		

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Comments

RIG: #4 CONSOLIDATED DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #11069



NORRIS

WELL SERVICES

GLASGOW KY — 270-651-8737

GR/CN/CD/ML

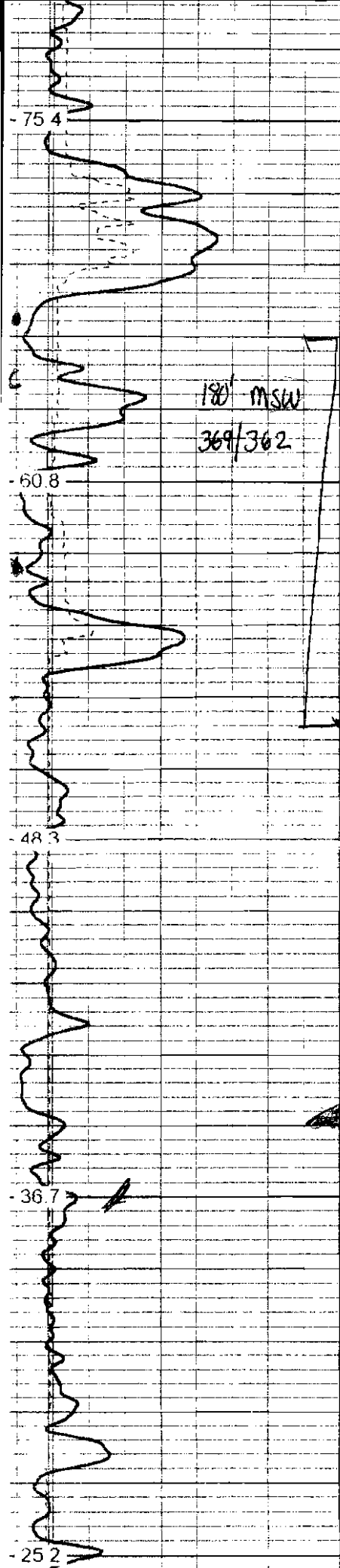
Company CONTINENTAL RES of IL INC Well ALLYN #2 Field CABORN WEST County POSEY State IN	Company CONTINENTAL RESOURCES of IL INC	
	Well ALLYN #2	
	Field CABORN WEST	
	County POSEY	State IN
	Location 330N 990W NW NE 34 28-6s-13W PERMIT #52643	
		Other Services GR/DIFL/SP
		Elevation
Permanent Datum	GL	Elevation 398
Log Measured From	KB 4' ABOVE GL	K B 402
Drilling Measured From	KB	D F 401
		G L 398
Date	06-16-05	
Run Number	ONE	
Depth Driller	2942	
Depth Logger	2944	
Bottom Logged Interval	2944	
Top Log Interval	99	
Casing Driller	8 625 @ 94	
Casing Logger	93	
Bit Size	7 875	
Type Fluid in Hole	GEL CHEM	
Density / Viscosity	9.2 LB / 65 SEC	
pH / Fluid Loss	9.0 / 7.2	
Source of Sample	FLOWLINE	
Rm @ Meas. Temp	1.90 @ 80	
Rmf @ Meas. Temp	1.42 @ 80	
Rmc @ Meas. Temp	2.37 @ 80	
Source of Rmf / Rmc	CALCULATED	
Rm @ BHT	1.60 @ 90	
Time Circulation Stopped	1615	
Temperature on Bottom	2010	
Recorded Temperature	90F	
Number	15	
	GLASGOW KY	
	S.S. NORRIS	

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Comments

RIG: #4 CONSOLIDATED DRILLING
 THANK YOU FOR USING NORRIS WELL SERVICES INC
 INV. #11069



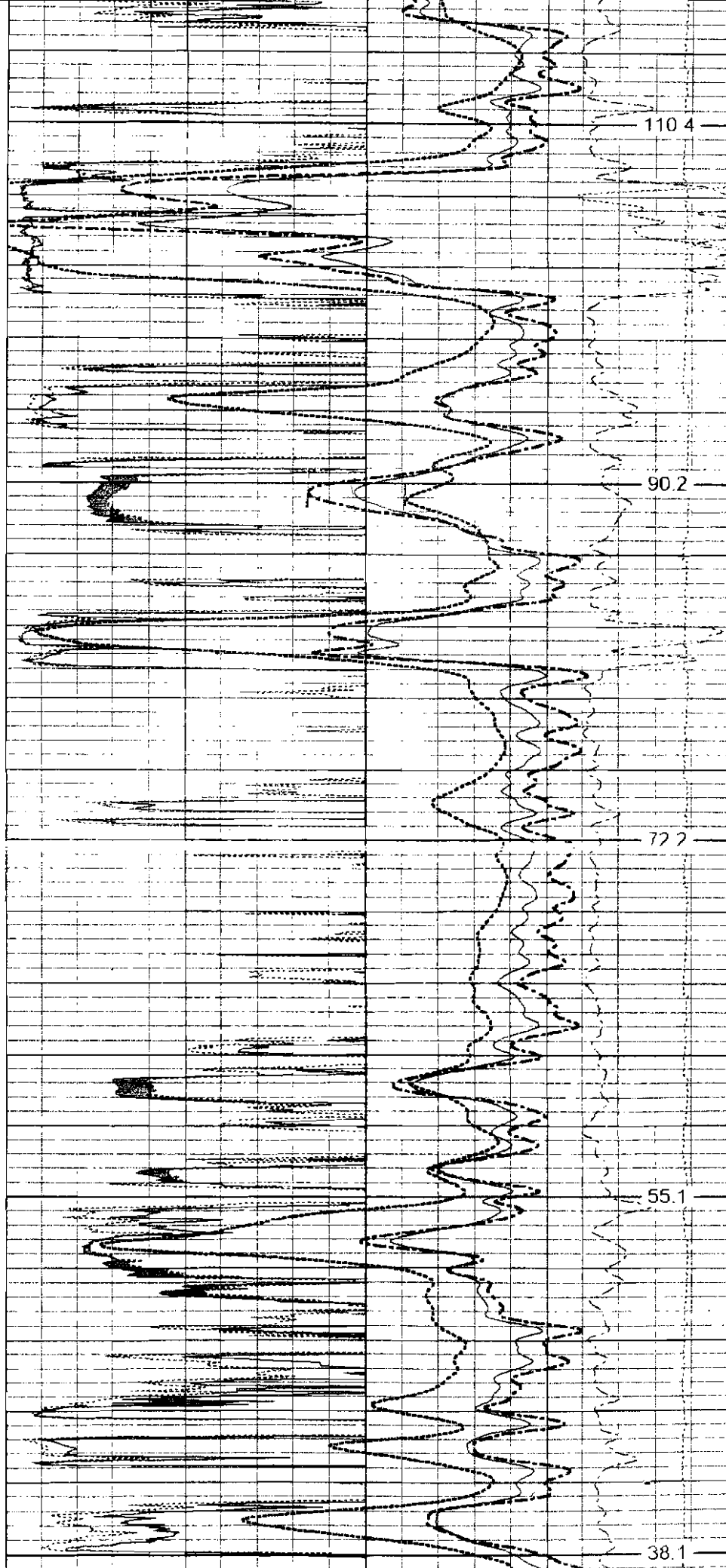
2650

2700

2750

2800

2850



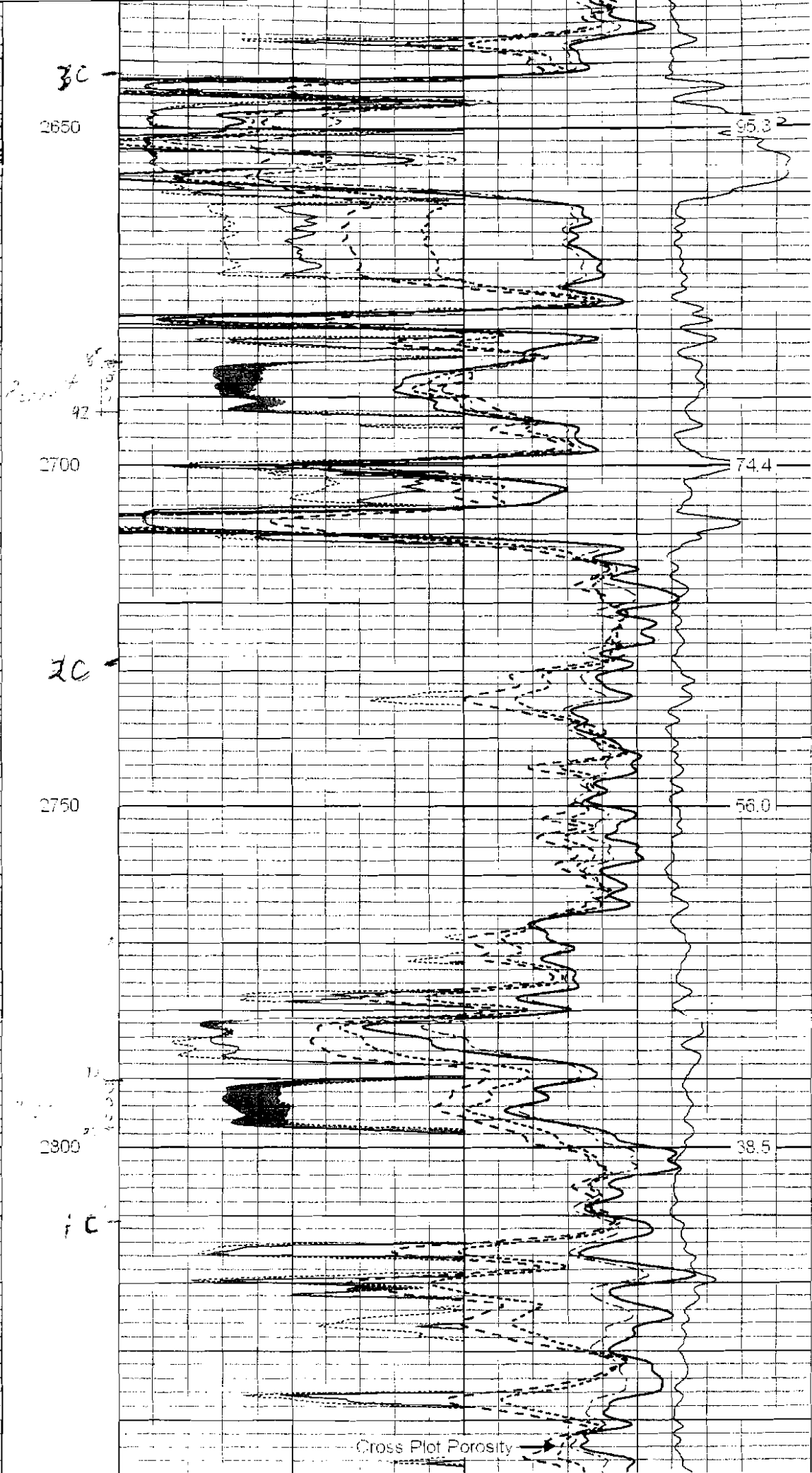
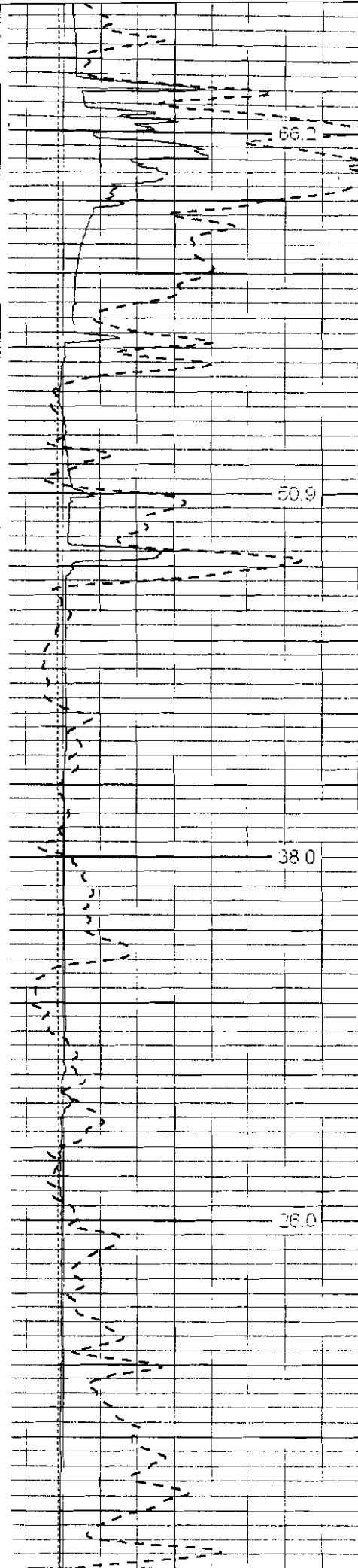
(一)
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 (九)

COMPENSATED DENSITY LOG
COMPENSATED NEUTRON LOG
MICRO-RESISTIVITY LOG
GAMMA RAY / CALIPER LOG

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Comments

MAIN LOG



GeoLog Well Services

073-655-2440

DUAL INDUCTION LOG GAMMA RAY / SP / RSFE

Company CONTINENTAL RESOURCES OF IL, INC.
Well ALLYN #4
Field CABORN WEST
County POSEY
State INDIANA

Location:

API #:

330N 330E NE NE NE

SEC 34 TWP 6S RGE 13W

Permanent Datum GROUND LEVEL Elevation G.L. 409' B 416'
Log Measured From K.B. 7' ABOVE GROUND LEVEL
Drilling Measured From K.B.

Elevation

Other Services
CDL / CNL
MRL

Date	10/07/2005		
Run Number	ONE		
Depth Driller	2915'		
Depth Logger	2915'		
Bottom Logged Interval	2913'		
Top Log Interval	90'		
Logging Driller	8 5/8" @ 95'		
Logging Logger	95'		
Tool Size	7.875"		
Type Fluid in Hole	GEL-CHEM		
Density / Viscosity	9.4 / 75		
H / Fluid Loss	9.5 / 8.0		
Purpose of Sample	FLOW LINE		
Run @ Meas. Temp	2.75 @ 89 DEG. F		
Run @ Meas. Temp	2.35 @ 89 DEG. F		
Run @ Meas. Temp	3.15 @ 89 DEG. F		
Purpose of Rmt / Rmc	CALC		
Run @ BHT	N/A		
Time Circulation Stopped	2 HOURS		
Time Logger on Bottom	15:45		
Maximum Recorded Temperature	N/A		
Equipment Number	201		
Location	WAYNE CITY, IL		
Recorded By	G. POTTOFF		
Checked By	ANDREW		

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Interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

PERMIT #52718

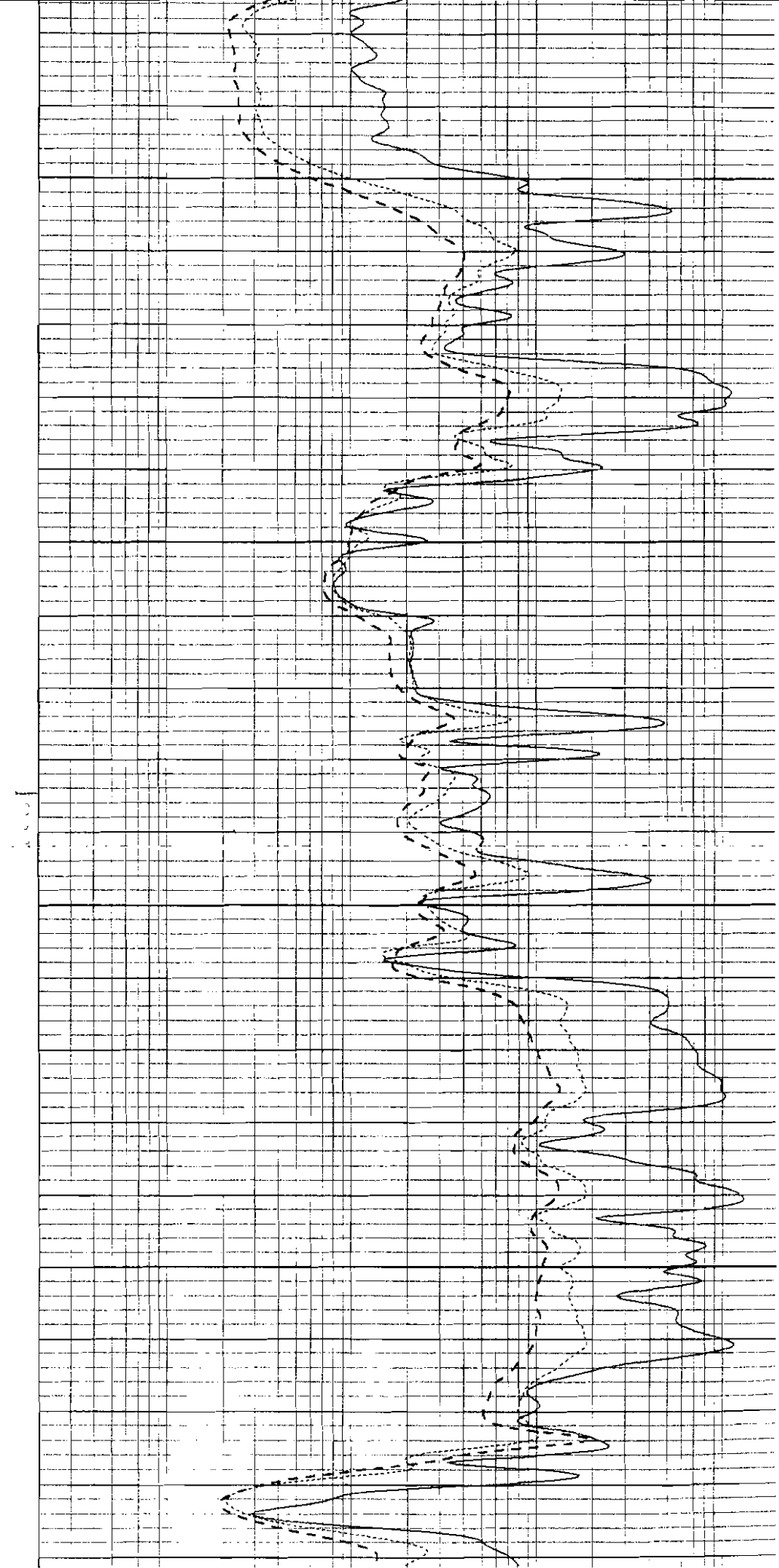
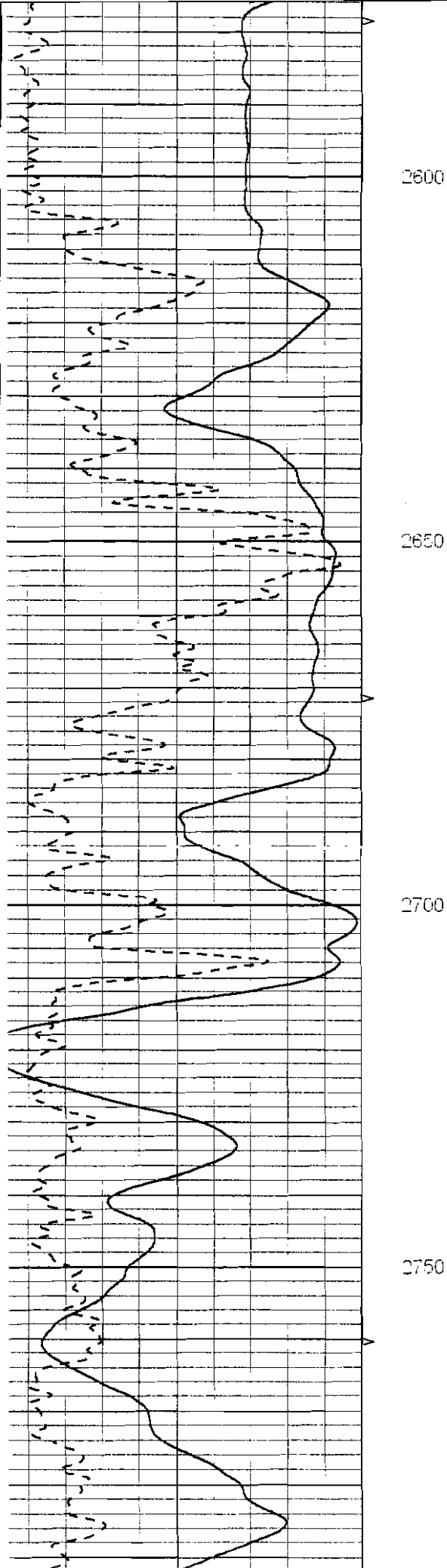
CREW: DAVIS

GR-1 / DIL-1 / RLL3-2

Thank you for using GeoLog Well Services, Inc.

MAIN LOG

GeoLog
Well
Services



GR/CN/CD/ML

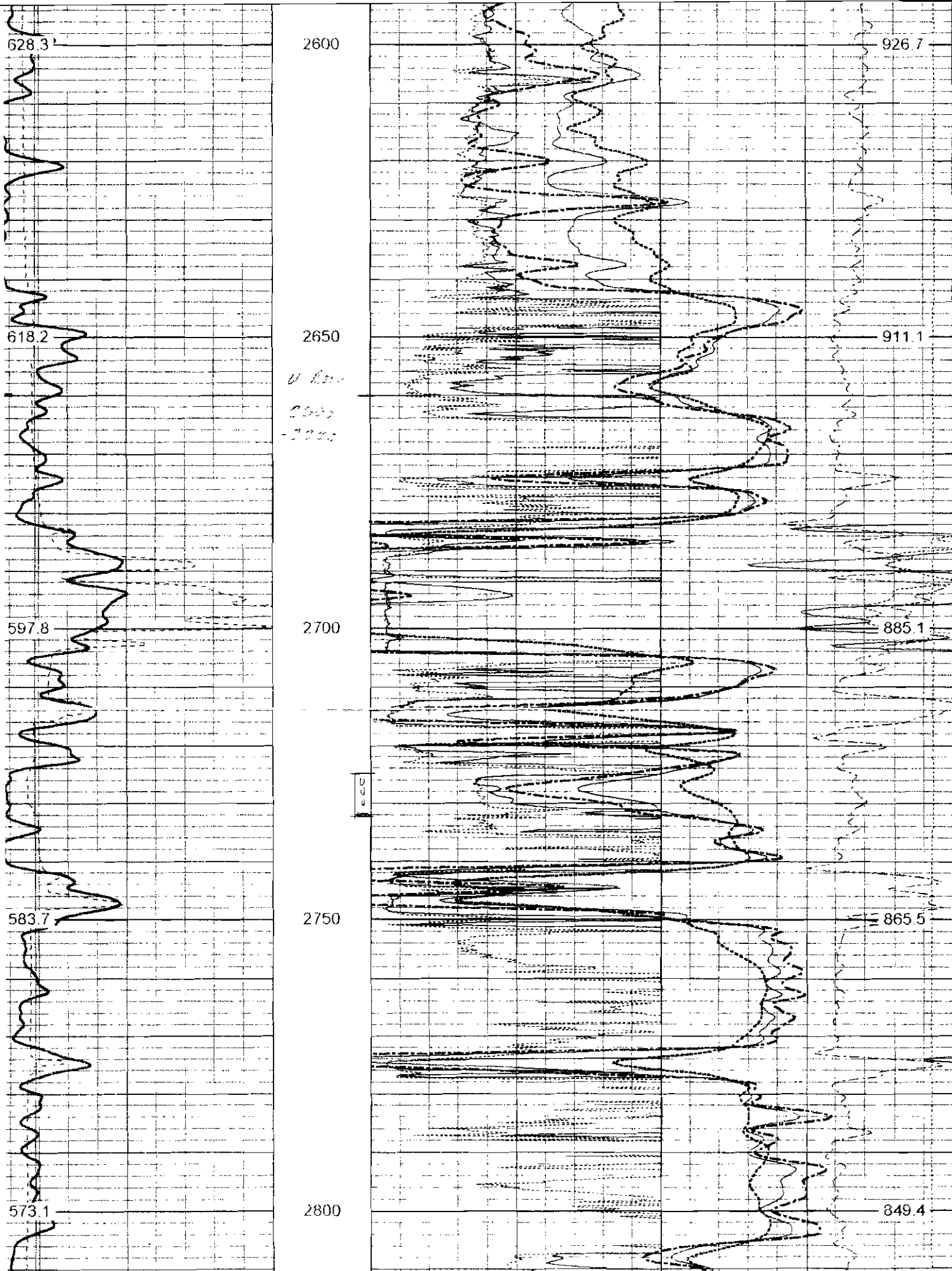
Company	CONTINENTAL RESOURCES OF IL INC	
Well	CULLEY #1	
Field	CABORN WEST	
County	POSEY	State IN
Location	330S 330E SW SESE 27-6s-13W PERMIT #52533	
Other Services	GR/DIFL	
Well	GL	Elevation 436
Field	KB 4' ABOVE GL	Elevation 436
County	POSEY	State IN
Log Number	ONE	
Log Date	01-07-05	
Log Time	5:20	
Log Depth	5291	
Log Interval	5.261	
Log Interval	1100	
Log Interval	8.625 @ 220	
Log Interval	210	
Log Interval	7.875	
Log Interval	GEL CHEM	
Log Interval	9.118 / 75 SEC	
Log Interval	9.0 / 80	
Log Interval	FLOWLINE	
Log Interval	2.98 @ 80	
Log Interval	2.28 @ 80	
Log Interval	3.58 @ 80	
Log Interval	CALCULATED	
Log Interval	2.42 @ 112	
Log Interval	1230	
Log Interval	2010	
Log Interval	112F	
Log Interval	15	
Log Interval	GLASGOW KY	
Log Interval	S S NORRIS	

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All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

RIG: #3 MORGAN DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV. #10922



NORRIS

WELL SERVICES

GR/DIFL/SP

GLASGOW KY - 270-651-8737

Company	CONTINENTAL RES. of IL	Company	CONTINENTAL RESOURCES of IL INC
Well	CULLEY #1	Well	CULLEY #1
Field	CABORN WEST	Field	CABORN WEST
County	POSEY	County	POSEY
State	IN	State	IN
Location		Location	330S 330E SW SESE 27-6S-13W PERMIT #52533
Other Services		Other Services	GR/CN/CD/ML

Remnant Datum	GL	Elevation	436
Log Measured From	KB	Elevation	KB 440
Drilling Measured From	KB	Elevation	DF 439
		Elevation	GL 436

Date	01-07-05
Run Number	ONE
Depth Driller	5280
Depth Logger	5281
Bottom Logged Interval	5281
Top Log Interval	210
casing Driller	8 R25 @ 220
casing Logger	210
Bit Size	7 3/5
Type Fluid in Hole	GEL CHEM
Density / Viscosity	9.1 LB / 75 SEC
Loss / Fluid Loss	0.0 / 8.2
Source of Sample	FLOWLINE
@ Meas. Temp	2.08 @ 80
@ Meas. Temp	2.32 @ 80
@ Meas. Temp	3.58 @ 80
Source of Rinf / Rmc	CALCULATED
@ BHT	2.47 @ 112
Time Circulation Stopped	1230
Time Logger on Bottom	1816
Maximum Recorded Temperature	112F
Equipment Number	15
Location	GLASGOW KY
Recorded By	J S NORRIS

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All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

RIG: #3 MORGAN DRILLING
THANK YOU FOR USING NORRIS WELL SERVICES INC
INV #10922

OIL AND GAS LEASE
(88 Rev.B)

THIS AGREEMENT made this 15th
day of October, 2004 between:

L. David Allyn and Donna M. Allyn

(For Recorders Use)

herein called Lessor
(whether one or more),
and

Continental Resources of Illinois, Inc.
P.O. Box 749
Mt. Vernon, IL 62864

herein called Lessee (whether one or more).

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, ponds, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases, and their respective constituent products and other products manufactured therefrom, together with the right of ingress and egress thereto or to other land under lease to Lessee, the following described land in Posey County, Indiana to-wit:

Township 6 South, Range 13 West of the 2nd P.M.

Section 34: Nw/4 Ne/4
EXCEPTING therefrom ten (10) acres off the South side of said quarter quarter section, leaving Thirty (30) Acres, more or less and
Nw/4 Ne/4

and containing 70 acres, more or less. It is intended hereby to include herein all lands and interest therein contiguous to or pertinent to the above described land and owned or claimed by Lessor. For the purpose of making any payment based on acreage, said land and its constituent parcels shall be deemed to contain the acreage above stated whether they actually contain more or less. This lease shall cover all the interest in said land now owned by or hereafter vested in Lessor, even though greater than the undivided interest (if any) described above

Subject to the other provisions herein contained, this lease shall remain in force for a term of Two (2) Years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them is produced from said land or land with which said land is pooled; provided, however, that for injection purposes this lease shall continue in full force and effect only as to the subsurface strata or stratas into which such injections are being made, together with such surface privileges as may be necessary or desirable to continue such injections.

The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipe line to which the wells may be connected, Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale, and (c) if at any time while there is a gas well or wells on the above land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) such well or wells are shut in, and if this lease is not continued in force by for some other provision hereof, then it shall nevertheless continue in force for a period of ninety (90) days from the date such well or wells are shut in, and before the expiration of any such ninety day (90 day) period, Lessee or any assignee hereunder may pay or tender an advance annual royalty payment of Fifty Dollars (\$50.00) for each such well, and if such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of paragraph 2 hereof for one (1) year from the date such payment is made, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of said paragraph 2 during any annual period for which such royalty payment is so paid or tendered; such advance royalty payment may be paid or tendered in the same manner as provided herein for the payment or tender of delay rentals; royalty accruing to the owners thereof on any production from the leased premises during any annual period for which advance royalty is paid may be credited against such advance payment.

Lessee is hereby granted the right to pool or unitize this lease, the land covered by it, or any part thereof, with any other land, lease or leases or parts thereof, for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them. No unit for the production of oil shall embrace more than eighty (80) acres, except in cases where it may be necessary or convenient to conform a unit to survey subdivisions, such unit may contain not to exceed eighty-five (85) acres, provided, however, that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease, whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If, prior to discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, on said land or on land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operation within sixty (60) days thereafter. If, at the expiration of the primary term, oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is not being produced on said land or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or wells thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than sixty (60) consecutive days, and, if they result in production, so long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within two hundred feet (200 ft.) of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purposes of this lease shall be conclusive.

Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth. Lessee shall pay for damages caused by its operations to growing crops on said land. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require the installation of separate measuring tanks. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and if assignee of part or parts hereof shall fail to comply with any provision of the lease, such default shall not affect this lease insofar as it covers the part of said lands retained by Lessee or another assignee.

When drilling or other operations are delayed or interrupted as a result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee. Lessee shall not be held liable in damages for failure to comply with any express or implied covenant of this lease if compliance is prevented by, or if such failure is the result of any State, Federal, or Municipal law, ordinance, Executive order, rule or regulation.

Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that, if Lessor owns an interest in the oil and gas and like minerals underlying said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately. This lease shall be binding upon all who execute it, and they shall be considered Lessors, whether or not they are named in the granting clause hereof and whether or not all parties named in the granting clause execute this lease.

Notwithstanding anything herein to the contrary the terms and conditions of this lease shall be expressly subject to the provisions of Exhibit "A" attached hereto and incorporated herein by reference.

The undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender, release and waive all right of homestead in the premises herein described, insofar as said right of homestead may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, we sign the day and year first above written.

x L. David Allyn [SEAL]
L. David Allyn

x Donna M. Allyn [SEAL]
Donna M. Allyn

Acknowledgement of Lease

STATE OF INDIANA)
) SS
COUNTY OF POSEY)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY that L. David Allyn and Donna M. Allyn, husband and wife personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

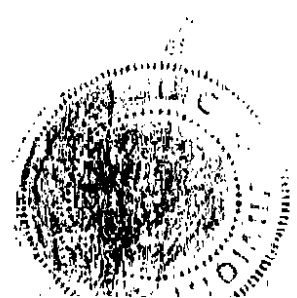
Given under my hand and Notarial seal this 17th day of October, 2004.

Dalim L. Parker

NOTARY PUBLIC (please sign above)

Notary seal and commission expiration: 7/1/2009

Residing in Posey County, Indiana



"EXHIBIT A"

Attached to and hereby made a part of that certain oil and gas lease by and between L. David Allyn and Donna M. Allyn as Lessors and Continental Resources of Illinois, Inc. as Lessee and dated October 15, 2004.

Lessors and Lessee hereby agree to the following additional terms and conditions

1. Prior to or at the time that a drilling rig is moved onto each location on the land, Lessee shall pay Lessor \$2,000.00, which shall apply toward payment of land damages and shall be non-refundable. Lessee shall pay for all actual land damages caused by drilling and production operations, and shall receive a credit of \$2,000.00 per location for the amount paid prior to drilling against said actual damages. In addition, when and as any well or any drilling site is abandoned, Lessee shall fill up and level all holes, pits, ditches and ruts caused by its operations thereon and return the land as nearly as possible to its original condition prior to entry by Lessee.
2. All drilling and production operations conducted by the Lessee on the land shall be in a neat and orderly manner. Lessee shall not allow junk or refuse to accumulate on lands cleared for drilling or production operations and shall control growth and spread of weeds, as to those lands only. Drilling mud shall not be covered over in the pits (if any), but all pits (if any) shall be cleaned and spread out before the filling and restoring of the land.
3. Lessee covenants and agrees to bury (and to keep buried) any pipes and flow lines below plow depth. Plow depth shall be considered to be no less than three feet below the surface of the ground. The location of any tank batteries, pipelines, roadways, power stations or structures on the land for the purpose of accumulating and storing oil and/or gas produced therefrom, shall be by mutual consent of Lessor and Lessee herein, said consent shall not be unreasonably withheld by Lessor.
4. Lessee hereby agrees to replace or repair any drainage tile damaged as a result of Lessee's operations on the land.
5. Lessee hereby agrees to pay for any growing crop destroyed by said operations under this oil and gas lease at prevailing market rates.

Signed for Acceptance:

x L. David Allyn
L. David Allyn

x Donna M. Allyn
Donna M. Allyn

OIL AND GAS LEASE
(88 Rev.B)

THIS AGREEMENT made this 12th
day of January, 2005 between:

Emily A. Moore
8225 Beech Knoll
Indianapolis, IN 46256

(For Recorders Use)

herein called Lessor
(whether one or more),
and

Continental Resources of Illinois, Inc.
P.O. Box 749
Mt. Vernon, IL 62864

herein called Lessee (whether one or more)

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, ponds, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases, and their respective constituent products and other products manufactured therefrom, together with the right of ingress and egress thereto or to other land under lease to Lessee, the following described land in Posey County, Indiana to-wit:

Township 6 South, Range 13 West of the 2nd P.M.

Section 34: 30 acres off North side of Ne/4 Se/4
30 acres off North end of W/2 Se/4
10 Acre strip off south side of Ne/4 Ne/4
Se/4 Ne/4

and containing 110 acres, more or less. It is intended hereby to include herein all lands and interest therein contiguous to or pertinent to the above described land and owned or claimed by Lessor. For the purpose of making any payment based on acreage, said land and its constituent parcels shall be deemed to contain the acreage above stated whether they actually contain more or less. This lease shall cover all the interest in said land now owned by or hereafter vested in Lessor, even though greater than the undivided interest (if any) described above.

Subject to the other provisions herein contained, this lease shall remain in force for a term of Two (2) Years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them is produced from said land or land with which said land is pooled; provided however, that for injection purposes this lease shall continue in full force and effect only as to the subsurface strata or stratas into which such injections are being made, together with such surface privileges as may be necessary or desirable to continue such injections.

The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered at the well or to the credit of Lessor in the pipe line to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; and (c) if at any time while there is a gas well or wells on the above land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) such well or wells are shut in, and if this lease is not continued in force by for some other provision hereof, then it shall nevertheless continue in force for a period of ninety (90) days from the date such well or wells are shut in, and before the expiration of any such ninety day (90 day) period, Lessee or any assignee hereunder may pay or tender an advance annual royalty payment of Fifty Dollars (\$50.00) for each such well, and if such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of paragraph 2 hereof for one (1) year from the date such payment is made, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of said paragraph 2 during any annual period for which such royalty payment is so paid or tendered; such advance royalty payment may be paid or tendered in the same manner as provided herein for the payment or tender of delay rentals; royalty accruing to the owners thereof on any production from the leased premises during any annual period for which advance royalty is paid may be credited against such advance payment.

Lessee is hereby granted the right to pool or unitize this lease, the land covered by it, or any part thereof, with any other land, lease or leases or parts thereof, for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them. No unit for the production of oil shall embrace more than eighty (80) acres, except in cases where it may be necessary or convenient to conform a unit to survey subdivisions, such unit may contain not to exceed eighty-five (85) acres; provided, however, that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease, whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If, prior to discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, on said land or on land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operation within sixty (60) days thereafter. If, at the expiration of the primary term, oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is not being produced on said land or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or wells thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than sixty (60) consecutive days, and, if they result in production, so long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within two hundred feet (200 ft.) of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

The judgment of the Lessee, when not fraudulently exercised, in carrying out the purposes of this lease shall be conclusive.

Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth. Lessee shall pay for damages caused by its operations to growing crops on said land. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require the installation of separate measuring tanks. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and if assignee of part or parts hereof shall fail to comply with any provision of the lease, such default shall not affect this lease insofar as it covers the part of said lands retained by Lessee or another assignee.

When drilling or other operations are delayed or interrupted as a result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee. Lessee shall not be held liable in damages for failure to comply with any express or implied covenant of this lease if compliance is prevented by, or if such failure is the result of any State, Federal, or Municipal law, ordinance, Executive order, rule or regulation.

Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that, if Lessor owns an interest in the oil and gas and like minerals underlying said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately. This lease shall be binding upon all who execute it, and they shall be considered Lessors, whether or not they are named in the granting clause hereof and whether or not all parties named in the granting clause execute this lease.

Notwithstanding anything herein to the contrary the terms and conditions of this lease shall be expressly subject to the provisions of Exhibit "A" attached hereto and incorporated herein by reference.

The undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender, release and waive all right of homestead in the premises herein described, insofar as said right of homestead may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, we sign the day and year first above written.

X Emily A. Moore [SEAL]
Emily A. Moore

Acknowledgement of Lease

STATE OF INDIANA)
) SS
COUNTY OF MARION)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY that Emily A. Moore known to me to be the same persons whose names are subscribed to the foregoing instrument, as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and Notarial seal this 4th day of February, 2005.

Bradley W. Herbert
NOTARY PUBLIC (please sign above)
Notary seal and commission expiration.
Residing in Marion County, Indiana
My Commission Expires Oct. 30, 2011

BRADLEY W. HERBERT
Notary Public, State of Indiana
County of Hancock
My Commission Expires Oct. 30, 2011

"EXHIBIT A"

Attached to and hereby made a part of that certain oil and gas lease by and between Emily A. Moore as Lessor and Continental Resources of Illinois, Inc. as Lessee and dated January 12, 2005.

Lessor and Lessee hereby agree to the following additional terms and conditions

1. Prior to or at the time that a drilling rig is moved onto each location on the land, Lessee shall pay Lessor \$2,000.00, which shall apply toward payment of land damages and shall be non-refundable. Lessee shall pay for all actual land damages caused by drilling and production operations, and shall receive a credit of \$2,000.00 per location for the amount paid prior to drilling against said actual damages. In addition, when and as any well or any drilling site is abandoned, Lessee shall fill up and level all holes, pits, ditches and ruts caused by its operations thereon and return the land as nearly as possible to its original condition prior to entry by Lessee.
2. All drilling and production operations conducted by the Lessee on the land shall be in a neat and orderly manner. Lessee shall not allow junk or refuse to accumulate on lands cleared for drilling or production operations and shall control growth and spread of weeds, as to those lands only. Drilling mud shall not be covered over in the pits (if any), but all pits (if any) shall be cleaned and spread out before the filling and restoring of the land.
3. Lessee covenants and agrees to bury (and to keep buried) any pipes and flow lines below plow depth. Plow depth shall be considered to be no less than three feet below the surface of the ground. The location of any tank batteries, pipelines, roadways, power stations or structures on the land for the purpose of accumulating and storing oil and/or gas produced therefrom, shall be by mutual consent of Lessor and Lessee herein, said consent shall not be unreasonably withheld by Lessor.
4. Lessee hereby agrees to replace or repair any drainage tile damaged as a result of Lessee's operations on the land.
5. Lessee hereby agrees to pay for any growing crop destroyed by said operations under this oil and gas lease at prevailing market rates.

Signed for Acceptance:

X Emily A. Moore
Emily A. Moore

I 200500521

Page 1 of 5

CLS Date 02/02/2005

Time 12:17:15

POSEY COUNTY RECORDER

SANDRA J. ELPERS

34

FEE:

17.00

OIL AND GAS LEASE
(88 Rev.B)

THIS AGREEMENT made this 12th
day of January, 2005 between:

Allyn G. Simpson, Ronald L. Simpson
L. David Allyn, ~~Jennifer L. Allyn, Michael~~
~~L. Allyn, Matthew D. Allyn, Marilyn K.~~
~~Thompson, Charles A. Thompson,~~
Nathalie A. Thompson, and JARD Group, a partnership,
Kenneth J. Juncker, managing partner, and Mary L. Juncker

(For Recorders Use)

herein called Lessor
(whether one or more),
and

Continental Resources of Illinois, Inc.
P.O. Box 749
Mt. Vernon, IL 62884

herein called Lessee (whether one or more).

Lessor, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, ponds, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases, and their respective constituent products and other products manufactured therefrom, together with the right of ingress and egress thereto or to other land under lease to Lessee, the following described land in Posey County, Indiana to-wit:

Township 6 South, Range 13 West of the 2nd P.M.

Section 34: 30 acres off North side of Ne/4 Se/4
30 acres off North end of W/2 Se/4
10 Acre strip off south side of Ne/4 Ne/4
Se/4 Ne/4

and containing 110 acres, more or less. It is intended hereby to include herein all lands and interest therein contiguous to or pertinent to the above described land and owned or claimed by Lessor. For the purpose of making any payment based on acreage, said land and its constituent parcels shall be deemed to contain the acreage above stated whether they actually contain more or less. This lease shall cover all the interest in said land now owned by or hereafter vested in Lessor, even though greater than the undivided interest (if any) described above.

Subject to the other provisions herein contained, this lease shall remain in force for a term of Two (2) Years from this date (called "primary term") and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them is produced from said land or land with which said land is pooled; provided, however, that for injection purposes this lease shall continue in full force and effect only as to the subsurface strata or stratas into which such injections are being made, together with such surface privileges as may be necessary or desirable to continue such injections.

The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipe line to which the wells may be connected. Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-eighth of the gas so sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; and (c) if at any time while there is a gas well or wells on the above land (and for the purposes of this clause (c) the term "gas well" shall include wells capable of producing natural gas condensate, distillate or any gaseous substance and wells classified as gas wells by any governmental authority) such well or wells are shut in, and if this lease is not continued in force by for some other provision hereof, then it shall nevertheless continue in force for a period of ninety (90) days from the date such well or wells are shut in, and before the expiration of any such ninety day (90 day) period, Lessee or any assignee hereunder may pay or tender an advance annual royalty payment of Fifty Dollars (\$50.00) for each such well, and if such payment or tender is made, this lease shall continue in force and it shall be considered that gas is being produced from the leased premises in paying quantities within the meaning of paragraph 2 hereof for one (1) year from the date such payment is made, and in like manner subsequent advance annual royalty payments may be made or tendered and this lease shall continue in force and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of said paragraph 2 during any annual period for which such royalty payment is so paid or tendered; such advance royalty payment may be paid or tendered in the same manner as provided herein for the payment or tender of delay rentals; royalty accruing to the owners thereof on any production from the leased premises during any annual period for which advance royalty is paid may be credited against such advance payment.

Lessee is hereby granted the right to pool or utilize this lease, the land covered by it, or any part thereof, with any other land, lease or leases or parts thereof, for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them. No unit for the production of oil shall embrace more than eighty (80) acres, except in cases where it may be necessary or convenient to conform a unit to survey subdivisions, such unit may contain not to exceed eighty-five (85) acres; provided, however, that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee shall execute in writing an instrument identifying and describing the pooled acreage. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease, whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

If, prior to discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, on said land or on land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon or if, after discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operation within sixty (60) days thereafter. If, at the expiration of the primary term, oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is not being produced on said land or land pooled therewith but Lessee is then engaged in operations for drilling, mining or reworking of any well or wells thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than sixty (60) consecutive days, and, if they result in production, so long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within two hundred feet (200 ft.) of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

The judgment of the Lessee, when not fraudulently exercised, in carrying out the purposes of this lease shall be conclusive.

Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth. Lessee shall pay for damages caused by its operations to growing crops on said land. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or division in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee or require the installation of separate measuring tanks. No such change or division in the ownership of the land or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and if assignee of part or parts hereof shall fail to comply with any provision of the lease, such default shall not affect this lease insofar as it covers the part of said lands retained by Lessee or another assignee.

When drilling or other operations are delayed or interrupted as a result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee. Lessee shall not be held liable in damages for failure to comply with any express or implied covenant of this lease if compliance is prevented by, or if such failure is the result of any State, Federal, or Municipal law, ordinance, Executive order, rule or regulation.

Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that, if Lessor owns an interest in the oil and gas and like minerals underlying said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately. This lease shall be binding upon all who execute it, and they shall be considered Lessors, whether or not they are named in the granting clause hereof and whether or not all parties named in the granting clause execute this lease.

Notwithstanding anything herein to the contrary the terms and conditions of this lease shall be expressly subject to the provisions of Exhibit "A" attached hereto and incorporated herein by reference.

The undersigned Lessors, for themselves and their heirs, successors, and assigns, hereby surrender, release and waive all right of homestead in the premises herein described, insofar as said right of homestead may in any way affect the purpose for which this lease is made as recited herein.

IN WITNESS WHEREOF, we sign the day and year first above written.

X L. David Allyn [SEAL]
L. David Allyn

X _____ [SEAL]
Jennifer L. Allyn

X Marilyn K. Thompson [SEAL]
Marilyn K. Thompson

X _____ [SEAL]
Matthew D. Allyn

X _____ [SEAL]
Charles A. Thompson

X Nathalie A. Thompson [SEAL]
Nathalie A. Thompson

X J. Kenneth Juncker [SEAL]
JARD Group By: Kenneth J. Juncker, manager

X _____ [SEAL]
Michael L. Allyn

X Mary L. Juncker [SEAL]
Mary L. Juncker

X Allyn G. Simpson [SEAL]
Allyn G. Simpson

X Ronald L. Simpson [SEAL]
Ronald L. Simpson

Acknowledgement of Lease

STATE OF INDIANA)
)SS
COUNTY OF POSEY)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY that Allyn G. Simpson, Ronald L. Simpson, L. David Allyn, ~~Jennifer L. Allyn, Michael L. Allyn, Matthew D. Allyn~~, Marilyn K. Thompson, ~~Charles A. Thompson~~, Nathalie A. Thompson, Kenneth J. Juncker, as general manager of the JARD Group, and Mary L. Juncker known to me to be the same persons whose names are subscribed to the foregoing instrument, as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and Notarial seal this 27th day of January, 2006.

Delwin L. Parker

NOTARY PUBLIC (please sign above)

Notary seal and commission expiration: July 1, 2009

Residing in Posey County, Indiana



"EXHIBIT A"

Attached to and hereby made a part of that certain oil and gas lease by and between Allyn G. Simpson, Ronald L. Simpson, L. David Allyn, Jennifer L. Allyn, Michael L. Allyn, Matthew D. Allyn, Marilyn K. Thompson, Charles A. Thompson, Nathalie A. Thompson, JARD Group by Kenneth J. Juncker, general manager, and Mary L. Juncker as Lessors and Continental Resources of Illinois, Inc. as Lessee and dated January 12, 2005.

Lessors and Lessee hereby agree to the following additional terms and conditions.

1. Prior to or at the time that a drilling rig is moved onto each location on the land, Lessee shall pay Lessor \$2,000.00, which shall apply toward payment of land damages and shall be non-refundable. Lessee shall pay for all actual land damages caused by drilling and production operations, and shall receive a credit of \$2,000.00 per location for the amount paid prior to drilling against said actual damages. In addition, when and as any well or any drilling site is abandoned, Lessee shall fill up and level all holes, pits, ditches and ruts caused by its operations thereon and return the land as nearly as possible to its original condition prior to entry by Lessee.
2. All drilling and production operations conducted by the Lessee on the land shall be in a neat and orderly manner. Lessee shall not allow junk or refuse to accumulate on lands cleared for drilling or production operations and shall control growth and spread of weeds, as to those lands only. Drilling mud shall not be covered over in the pits (if any), but all pits (if any) shall be cleaned and spread out before the filling and restoring of the land.
3. Lessee covenants and agrees to bury (and to keep buried) any pipes and flow lines below plow depth. Plow depth shall be considered to be no less than three feet below the surface of the ground. The location of any tank batteries, pipelines, roadways, power stations or structures on the land for the purpose of accumulating and storing oil and/or gas produced therefrom, shall be by mutual consent of Lessor and Lessee herein, said consent shall not be unreasonably withheld by Lessor.
4. Lessee hereby agrees to replace or repair any drainage tile damaged as a result of Lessee's operations on the land.
5. Lessee hereby agrees to pay for any growing crop destroyed by said operations under this oil and gas lease at prevailing market rates.

Signed for Acceptance:

x L. David Allyn
L. David Allyn

x Allyn G. Simpson
Allyn G. Simpson

x Jennifer L. Allyn
Jennifer L. Allyn

x Ronald L. Simpson
Ronald L. Simpson

x Marilyn K. Thompson
Marilyn K. Thompson

x Mary L. Juncker
Mary L. Juncker

x Charles A. Thompson
Charles A. Thompson

x Matthew D. Allyn
Matthew D. Allyn

x Nathalie A. Thompson
Nathalie A. Thompson

x Michael L. Allyn
Michael L. Allyn

JARD Group
x Kenneth J. Juncker

Cont-
11-25-08

NATION ROAD WATERFLOOD UNIT
ROYALTY UNITIZATION AGREEMENT

THIS AGREEMENT, dated for convenience of reference as of the 1st day of February, 2008, by and between CONTINENTAL RESOURCES, INC., hereinafter called "Operator", and the other parties who have signed the original of this instrument, a counterpart thereof or other instrument agreeing to be bound by the provisions hereof:

W I T N E S S E T H

That

WHEREAS, Operator is the current operator and Working Interest Owners (as hereinafter defined) are the owners of the entire working interest in and to the oil and gas leases covering the Unit Area (as hereinafter defined), and Royalty Owners (as hereinafter defined) own or claim royalty, overriding royalty, production payments, or other rights or interests, all subject to the above-mentioned oil and gas leases and to the rights of Operator and Working Interest Owners to explore for and produce Unitized Substances (as hereinafter defined) from the Unit Area; and

WHEREAS, it is the desire of the parties to provide for the prevention of waste, and for the conservation and greatest ultimate recovery of Unitized Substances in the operation and development of the Unit Area, and to that end desire to provide for the development and operation of the Unit Area as an entirety and as though covered by a single lease executed by the owners of all interests therein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set out and contained, it is agreed by and between the parties, as follows:

1. Definition of Terms.

(a) "Unit Area" means the lands outlined on the map attached hereto, marked Exhibit "B" and subject to the oil and gas leases described in a schedule thereof attached hereto, marked Exhibit "A."

(b) "Separate Tract" means each tract which is given a separate tract number and percentage of participation on Exhibit "B" attached hereto. The separate tracts in the aggregate are the same as the Unit Area.

(c) "Unitized Substances" means all oil, gas, casinghead gas and other liquid and gaseous hydrocarbons produced from all formations underlying the Unit Area after the effective date hereof.

(d) "Royalty Owner" is one who, subject to the right of Operator and Working Interest Owners to explore for and produce Unitized Substances from the Unit Area, owns land, mineral rights, royalties, overriding royalties, production payments or other rights or interests in the Unitized Substances.

(e) "Working Interest Owners" are those person or entities owning an interest which is chargeable with and obligated to pay or bear, either in cash or out of production or otherwise, all or a portion of the cost of drilling, developing and operating the oil and gas leases described in Exhibit "A." The rights and obligations of the Operator and the Working Interest Owners, inter se, are governed and controlled by the terms and provisions of that certain Operating Agreement dated November 19, 2004.

2. Development as Entirety. Operator and Working Interest Owners shall develop and operate the Unit Area for the production of Unitized Substances as an entirety and as though said Unit Area were covered by a single lease executed by the owners of all interests in the Unit Area. Such development may include primary, secondary, tertiary and other methods of recovery and the drilling or conversion of vertical, directional and horizontal wells. In this connection, Operator and Working Interest Owners are hereby granted the right (1) to inject into subsurface strata such substances and in such amounts deemed expedient for unit operations; (2) to use for injection purposes any well located on the Unit Area; (3) to use so much of the surface of the land within the Unit Area as may be reasonably necessary for unit operations; and (4) such other and further rights and privileges as are necessary and convenient to the efficient and economical operation of the Unit Area in accordance with good engineering and production practices.

3. Allocation of Production. The Unitized Substances produced and sold after the effective date hereof from any and all wells in the Unit Area shall be allocated to the Separate Tracts in the Unit Area in accordance with the participation percentages set forth in Exhibit "C" attached hereto. The portion of the Unitized Substances so allocated to each Separate Tract shall be considered and treated for all purposes as though it had actually been produced from and was the full production of that Separate Tract under the terms of the lease covering that Separate Tract.

4. Payment of Royalty. The royalty and any overriding, production payment, carried interests, lien, or other obligation accruing upon, payable out of or measured by production of Unitized Substances shall be based upon the allocation of the Unitized Substances to the Separate Tracts in the Unit Area, and shall accrue and be paid in the same manner and to the same extent as though the Unitized Substances so allocated to each Separate Tract had actually been produced from that tract under the terms of the oil and gas lease or leases covering that tract. No such royalty, overriding royalty, production payment or other payment, interest or obligation shall be payable upon or with respect to Unitized Substances used in the development

and operation of the Unit Area or which may be unavoidably lost without want of due diligence upon the part of Operator or Working Interest Owners. In the event that the lease, leases or other contracts covering a Separate Tract do not expressly provide for the manner in which Unitized Substances shall be divided or apportioned among the owners of separately owned divided parcels within such Separate Tract, then division of the Unitized Substances allocated to such Separate Tract among the owners of such divided parcels thereof shall be in the proportion that each such separate owner's acreage interest within the Separate Tract bears to the total acreage in such Separate Tract.

5. Extension of Terms of Leases and Other Instruments. The drilling, completion and continued operation of a well on any portion of the Unit Area shall be considered and construed as the drilling, completion and continued operation of a well under the terms of each lease, mineral deed, royalty conveyance or other instrument covering any portion of the Unit Area; and the production of Unitized Substances from any Separate Tract in the Unit shall be considered and construed as production under the terms of each lease, mineral deed, royalty conveyance or other instrument covering any portion of the Unit Area and shall continue each of said leases, deeds, conveyances and instruments in full force and effect as to all lands and formations covered thereby in the same manner and to the same extent as though produced from the land described in and covered by it.

6. Offset Wells. There shall be no obligation on Operator and Working Interest Owners to offset any well or wells drilled on the separately owned or leased tracts into which the Unit Area is now or may hereafter be divided, or to furnish separate measuring or receiving tanks; provided that Operator and Working Interest Owners shall perform their obligations with respect to the development of the Unit Area as a whole.

7. Effective Date. This agreement shall be binding upon each of the parties from and after the date of its execution by such party, whether or not it is executed by all parties owning interests in the Unit Area. Prior to the commencement of unit operations, Operator shall file for record with the Recorder of Posey County, Indiana, a declaration stating the date and hour upon which unit operations shall be commenced. The date and hour so specified in such declaration shall be the "Effective Date", as that term is used herein. A Royalty Owner may, with the consent of Operator, execute this agreement after the Effective Date, or ratify the same, and thereafter it shall be binding upon him.

8. Term. This agreement shall remain in force for a term co-extensive with the term of the oil and gas leases, or any of them, covering lands within the Unit Area, and all renewals, modifications or extensions thereof and as long as Unitized Substances are produced from the Unit Area or any part thereof.

9. Amendment of Leases. The oil and gas leases described in Exhibit "A" as herein amended and modified, are hereby adopted, ratified, approved and confirmed and shall be and remain in full force and effect.

10. Execution. This agreement may be executed in any number of counterparts and each such counterpart so executed shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same document, or this agreement may be ratified by a separate instrument in writing referring to this agreement. Each party acknowledges that no representation which is not incorporated herein has been made to him or it, and that this instrument has been signed and delivered unconditionally.

11. Oil in Tanks on Effective Date. Operator is authorized and directed to make a proper and timely gauge of all tanks within the Unit Area to ascertain the amount of oil in such tanks above pipe line connections on the Effective Date hereof. The oil so determined to be in such tanks shall remain and be the property of the parties owning the same immediately prior to the Effective Date hereof.

12. Binding Effect. The terms and provisions of this agreement shall constitute covenants running with the lands and shall extend to and become binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.

EXECUTED by the parties as of the date first above mentioned.

OPERATOR

CONTINENTAL RESOURCES, INC.

By:

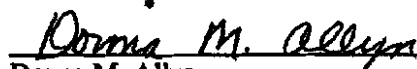

Richard H. Straeter, President of IL Division

ROYALTY OWNERS

Parker Exploration & Development, LLC


By: Delwin Parker, its Managing Member

Jane G. Bonaldi


Donna M. Allyn

Joyce Ann Culley

Kathryn Day Culley

Allyn G. Simpson

10. Execution. This agreement may be executed in any number of counterparts and each such counterpart so executed shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same document, or this agreement may be ratified by a separate instrument in writing referring to this agreement. Each party acknowledges that no representation which is not incorporated herein has been made to him or it, and that this instrument has been signed and delivered unconditionally.

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EXECUTED by the parties as of the date first above mentioned.

OPERATOR


CONTINENTAL RESOURCES, INC.

By: _____
Richard H. Straeter, President of IL Division

ROYALTY OWNERS

Parker Exploration & Development, LLC

By: Delwin Parker, its Managing Member



Jane G. Bonaldi

Donna M. Allyn

Joyce Ann Culley

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11. Oil in Tanks on Effective Date. Operator is authorized and directed to make a proper and timely gauge of all tanks within the Unit Area to ascertain the amount of oil in such tanks above pipe line connections on the Effective Date hereof. The oil so determined to be in such tanks shall remain and be the property of the parties owning the same immediately prior to the Effective Date hereof.

12. Binding Effect. The terms and provisions of this agreement shall constitute covenants running with the lands and shall extend to and become binding upon and inure to the benefit of the parties, their heirs, executors, administrators, successors and assigns.

EXECUTED by the parties as of the date first above mentioned.

OPERATOR

CONTINENTAL RESOURCES, INC.

By: 
Richard H. Stracker, President of IL Division

ROYALTY OWNERS

Parker Exploration & Development, LLC

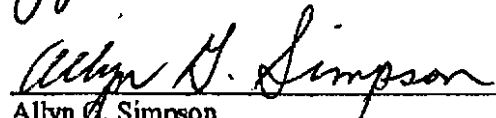
By: Delwin Parker, its Managing Member

Donna M. Allyn

Kathryn Day Culley

Jane G. Bonaldi


Joyce Ann Culley


Allyn G. Simpson

JARD Group, a partnership

By: Kenneth J. Juncker
Kenneth J. Juncker, General Manager

Wayne L. Culley Living Trust dated
November 25, 2002

By: _____
Wayne L. Culley, Trustee

Ruth E. Allyn Testamentary Trust

By: Allyn A. Simpson
Allyn Agency, Trustee

L. David Allyn
L. David Allyn

Nathalie A. Thompson Elderkin
Nathalie A. Thompson - Elderkin

Ronald L. Simpson
Ronald L. Simpson

Charles A. Thompson
Charles A. Thompson

Edward J. Thompson
Personal Representative of the
Marilyn Thompson Estate

WORKING INTEREST OWNERS

Continental Resources, Inc.

By: Richard H. Stracter
Richard H. Stracter, President of IL Division

Moore Family Holdings, Inc.

By: Lester D. Moore
Lester D. Moore, President

Shakespeare Oil Co., Inc.

By: _____
Donald R. Williams, Vice President

T. Scott Evans Oil Properties, Inc.

By: T. Scott Evans President
T. Scott Evans, President

Richard H. Stracter
Richard H. Stracter

JARD Group, a partnership

By: _____
Kenneth J. Juncker, Genral Manager

Wayne L. Culley Living Trust dated
November 25, 2002

By: Wayne L. Culley
Wayne L. Culley, Trustee

Ruth E. Allyn Testamentary Trust

By: _____
Allyn Agency, Trustee

L. David Allyn

Nathalie A. Thompson-Elderkin

Ronald L. Simpson

Charles A. Thompson

Edward L. Thompson
Personal Representative of the
Marilyn Thompson Estate

WORKING INTEREST OWNERS

Continental Resources, Inc.

By: _____
Richard H. Straeter, President of IL Division

Moore Family Holdings, Inc.

By: _____
Lester D. Moore, President

Shakespear Oil Co., Inc.

By: _____
Donald R. Williams, Vice President

T. Scott Evans, Oil Properties, Inc.

By: _____
T. Scott Evans, President

Richard H. Straeter

JARD Group, a partnership

By: _____
Kenneth J. Juncker, General Manager

L. David Allyn

Wayne L. Culley Living Trust dated
November 25, 2002

By: _____
Wayne L. Culley, Trustee

Nathalie A. Thompson

Ruth E. Allyn Testamentary Trust

By: _____
Allyn Agency, Trustee

Ronald L. Simpson

Charles A. Thompson

WORKING INTEREST OWNERS

Continental Resources, Inc.

By: _____
Richard H. Straeter, President of IL Division

Moore Family Holdings, Inc.

By: _____
Lester D. Moore, President

Shakespeare Oil Co., Inc.

By: Donald R. Williams
Donald R. Williams, Vice President

T. Scott Evans Oil Properties, Inc.

By: _____
T. Scott Evans, President

Richard H. Straeter

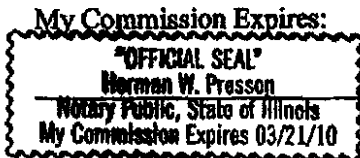
This instrument prepared by Stephen T. Link, Attorney at Law, 1033 Mt. Pleasant Rd., Suite H, Evansville, IN 47725-7149. I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, unless required by law. - Stephen T. Link

ROYALTY OWNERS' ACKNOWLEDGMENTS

State of ILLINOIS)
) ss:
County of JEFFERSON)

Before me, a Notary Public within and for said county and state, on this 9th day of April, 2008, personally appeared the within named Delwin Parker, known to me to be the Manager Member of Parker Exploration & Development, LLC., who, as such Managing Member of said LLC, acknowledged the execution of the foregoing instrument as the free and voluntary act of said LLC, for the uses and purposes therein set forth.

WITNESS my hand and official seal.



Herman W. Presson
Signature of Notary Public
HERMAN W. PRESSON
Printed Name of Notary Public

I reside in Jefferson County, ILLINOIS.

State of Indiana)
) ss:
County of POSEY)

Before me the undersigned, a Notary Public, personally appeared Donna M. Allyn, and acknowledged the execution of this instrument this 4th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public
Delwin L. Parker
Printed Name of Notary Public

I reside in POSEY County, Indiana.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Allyn G. Simpson, and acknowledged the execution of this instrument this 15th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Indiana)
County of Posey) ss:

Before me, a Notary Public within and for said county and state, on this 14th day of April, 2008, personally appeared the within named Kenneth J. Juncker, known to me to be the General Manager of JARD Group, a partnership, who, as such General Manager of said partnership, acknowledged the execution of the foregoing instrument as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of IN)
County of Posey) SS:

Before me the undersigned, a Notary Public, personally appeared Wayne L. Culley, Trustee of the Wayne L. Culley Living Trust dated November 25, 2002, and acknowledged the execution of this instrument this 25 day of April, 2008.

My Commission Expires:
9/21/14

Lindsay A. Feener
Signature of Notary Public

Lindsay A. Feener
Printed Name of Notary Public

I reside in Posey County, IN

State of _____)
County of _____) SS:

Before me the undersigned, a Notary Public, personally appeared Allyn Agency, Trustee of the Ruth E. Allyn Testamentary Trust, and acknowledged the execution of this instrument this _____ day of _____ March, 2008.

My Commission Expires:

Signature of Notary Public

Printed Name of Notary Public

I reside in _____ County, _____

State of _____)
County of _____) ss:

Before me the undersigned, a Notary Public, personally appeared Wayne L. Culley, Trustee of the Wayne L. Culley Living Trust dated November 25, 2002, and acknowledged the execution of this instrument this _____ day of _____, 2008.

My Commission Expires:

Signature of Notary Public

Printed Name of Notary Public

I reside in _____ County, _____.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Allyn Agency, Trustee of the Ruth E. Allyn Testamentary Trust, and acknowledged the execution of this instrument this 15th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Illinois)
) SS:
County of St. Clair)

Before me the undersigned, a Notary Public, personally appeared Jane G. Bonaldi, and
acknowledged the execution of this instrument this 5 day of MAY, 2008.

My Commission Expires:



Margaret Shacklady
Signature of Notary Public

Margaret Shacklady
Printed Name of Notary Public

I reside in St. Clair County, Illinois.

State of _____)
) SS:
County of _____)

Before me the undersigned, a Notary Public, personally appeared Joyce Ann Culley, and
acknowledged the execution of this instrument this _____ day of _____ March, 2008.

My Commission Expires:

Signature of Notary Public

Printed Name of Notary Public

I reside in _____ County, _____.

State of _____)
County of _____) ss:

Before me the undersigned, a Notary Public, personally appeared Jane G. Bonaldi, and acknowledged the execution of this instrument this _____ day of _____, 2008.

My Commission Expires:

Signature of Notary Public

Printed Name of Notary Public

I reside in _____ County, _____.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Joyce Ann Culley, and acknowledged the execution of this instrument this 19th day of March, 2008.

My Commission Expires:

July 1, 2009

Delwin H. Parker
Signature of Notary Public

Delwin H. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of _____)
County of _____) ss:

Before me the undersigned, a Notary Public, personally appeared Kathryn Day Culley, and acknowledged the execution of this instrument this _____ day of _____, 2008.

My Commission Expires: _____

Signature of Notary Public

Printed Name of Notary Public

I reside in _____ County, _____.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared L. David Altyn, and acknowledged the execution of this instrument this 4th day of April, 2008.

My Commission Expires: _____

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Nathalie A. Thompson, and acknowledged the execution of this instrument this 16th day of April, 2008. - Elderskin

My Commission Expires: _____

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Ronald L. Simpson, and acknowledged the execution of this instrument this 15th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Charles A. Thompson, and acknowledged the execution of this instrument this 16th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

State of Indiana)
County of Posey) ss:

Before me the undersigned, a Notary Public, personally appeared Edward L. Thompson, P.R. of Marilyn Thompson Estate and acknowledged the execution of this instrument this 16th day of April, 2008.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public

Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

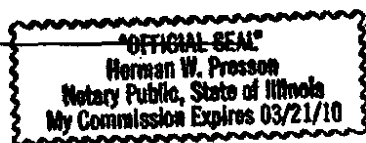
WORKING INTEREST OWNERS' ACKNOWLEDGMENTS

State of Illinois)
County of Jefferson) ss:

Before me, a Notary Public within and for said county and state, on this 22nd day of February, 2008, personally appeared the within named Richard H. Straeter, known to me to be the President of IL Division of Continental Resources, Inc., who, as such President of IL Division of said corporation, acknowledged the execution of the foregoing instrument as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

My Commission Expires:



Herman W. Presson
Signature of Notary Public
Herman W. Presson
Printed Name of Notary Public

I reside in Jefferson County, Illinois.

State of Indiana)
County of Vanderburgh) ss:

Before me, a Notary Public within and for said county and state, on this 15th day of April, 2008, personally appeared the within named Lester D. Moore, known to me to be the President of Moore Family Holdings, Inc., who, as such President of said corporation, acknowledged the execution of the foregoing instrument as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

My Commission Expires:

July 1, 2009

Delwin L. Parker
Signature of Notary Public
Delwin L. Parker
Printed Name of Notary Public

I reside in Posey County, Indiana.

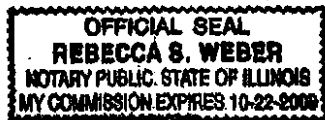
State of Illinois)
) ss:
County of Marion)

Before me, a Notary Public within and for said county and state, on this 28th day of May, 2008, personally appeared the within named Donald R. Williams, known to me to be the Vice President of Shakespeare Oil Co., Inc., who, as such Vice President of said corporation, acknowledged the execution of the foregoing instrument as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

My Commission Expires:

10-22-2009



Rebecca S. Weber
Signature of Notary Public

Rebecca S. Weber
Printed Name of Notary Public

I reside in Marion County, Illinois

State of Illinois)
) ss:
County of Jefferson)

Before me, a Notary Public within and for said county and state, on this 3rd day of July, 2008, personally appeared the within named T. Scott Evans, known to me to be the President of T. Scott Evans Oil Properties, Inc., who, as such President of said corporation, acknowledged the execution of the foregoing instrument as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

WITNESS my hand and official seal.

My Commission Expires:

10/23/2010



Nida E. Woodfall
Signature of Notary Public

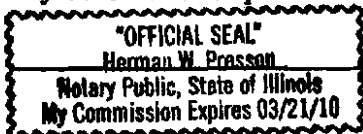
NIDA E. WOODFALL
Printed Name of Notary Public

I reside in Jefferson County, Illinois

State of Illinois
County of Jefferson ss:

Before me the undersigned, a Notary Public, personally appeared Richard H. Straeter, and acknowledged the execution of this instrument this 2nd day of February, 2008.

My Commission Expires:



Herman W. Prasson
Signature of Notary Public.

HERMAN W. PRASSON
Printed Name of Notary Public

I reside in Jefferson County, Illinois.

EXHIBIT "A"

NATION ROAD WATERFLOOD UNIT POSEY COUNTY, INDIANA

Schedule of Leases

1. Culley

Oil and Gas Lease from Wayne L. Culley, Trustee of the Wayne L. Culley Living Trust, Kathryn D. Culley, Joyce A. Culley and Jane G. Binaldi, as Lessors, to Parker Exploration & Production, LLC, as Lessee, dated July 14, 2004 and recorded as Document 200403611 in the Office of the Recorder of Posey County, Indiana.

2. Allyn

Oil and Gas Lease from L. David Allyn and Donna M. Allyn, as Lessors, to Continental Resources of Illinois, Inc., as Lessee, dated October 15, 2004 and recorded as Document 200500058 in the Office of the Recorder of Posey County, Indiana.

3. Allyn Community

That certain pooled unit created by Declaration of Pooled Unit, effective December 22, 2005, executed by Continental Resources of Illinois, Inc., recorded as Document 200600087 in the Office of the Recorder of Posey County, Indiana, which declaration pooled the following leases:

L. David Allyn et al. --	Doc. 200500058
Allyn G. Simpson et al. --	Doc. 200500521
Emily A. Moore --	Doc. 200500584

EXHIBIT "B"
NATION ROAD WATERFLOOD UNIT
POSEY COUNTY, INDIANA
UNIT AREA MAP

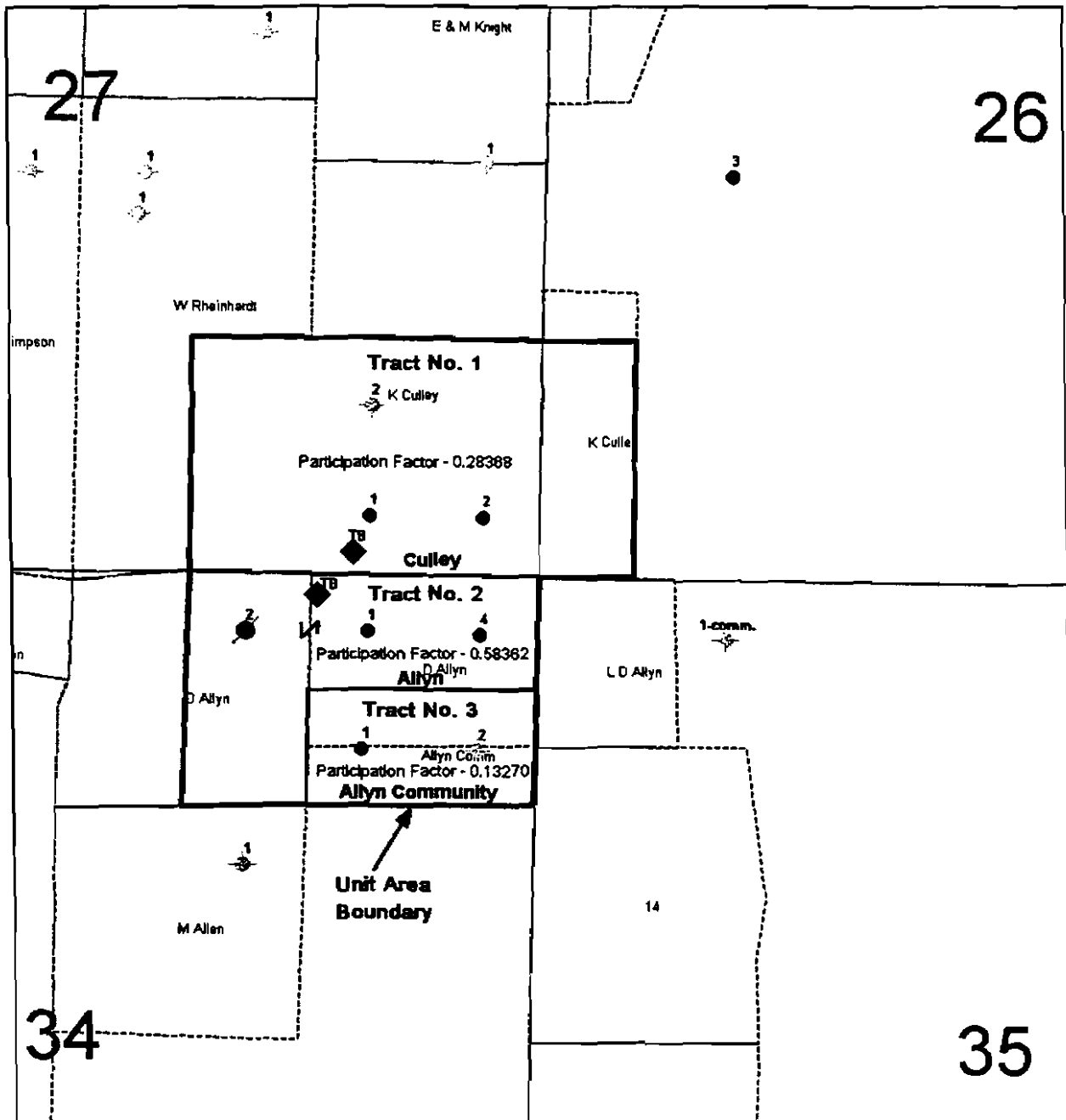


EXHIBIT "C"
NATION ROAD WATERFLOOD UNIT
POSEY COUNTY, INDIANA

Tract Participation Factors

LEASE	TRACT (By Number)	PARTICIPATION FACTOR
Culley	1	0.28368
Allyn #1, #2, #4	2	0.58362
Allyn Community	3	0.13270
		1.00000

Tract 1 – Culley (Portion of CMC #51287)

W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ and
E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, all in Township 6 South,
Range 13 West, Posey County, IN, and containing
80 acres, more or less.

Tract 2 – Allyn #1, #2, #4 (CMC #51290 and other land)

N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, all in Section 34,
Township 6 South, Range 13 West, Posey County, IN,
containing 40 acres, more or less.

Tract 3 – Allyn Community (CMC #51342)

S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 6 South,
Range 13 West, Posey County, IN, containing 20
acres, more or less.

**STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS**

IN RE: PETITION OF CONTINENTAL RESOURCES, INC. FOR THE
INTEGRATION OF INTERESTS IN SECTIONS 26, 27 AND 34, TOWNSHIP 6
SOUTH, RANGE 13 WEST, POSEY COUNTY, INDIANA

CAUSE NO. DOG-16-2008

Post Hearing Brief of Petitioner

Comes now the Petitioner, Continental Resources, Inc. ("CRI"), and pursuant to the order of the Hearing Officer at the conclusion of the informal hearing held in this matter on November 25, 2008, submits its Post Hearing Brief.

I. The Petition

CRI seeks to create a 140 acre unit for the secondary recovery of oil reserves by waterflooding certain leases it operates in Posey County, Indiana. All working interest owners and all royalty and overriding royalty owners, save one, Kathryn Day Culley ("Culley"), have voluntarily agreed to integrate their interests and develop the defined pool as a unit ("the Proposed Plan").

Culley owns one-quarter (1/4) of the minerals underlying one ("the Culley Tract") of the three tracts involved in the Proposed Plan. The Culley Tract is allocated 28.368% of unit oil under the Proposed Plan. That tract allocation was formulated in accordance with generally accepted petroleum engineering principals. The factors utilized, and their respective weight, are as follows:

- a. Number of flood useable wells - 10%
- b. Production potential - 30%
- c. Cumulative production - 30%
- d. Renault sand hydrocarbon pore volume - 30%

The three owners of the other three-quarters (3/4) interest in the minerals underlying the Culley Tract, including Culley's sister and business partner, have agreed to the tract allocation of the Proposed Plan.

II. The Statute

I.C. 14-37-9-1 et seq. governs integration and forced pooling in the State of Indiana. While brief in nature, the statute clearly sets forth three distinguishable principals:

1. The statute is primarily based on the theme which underlies the entire Oil and Gas Act, the prevention of waste.

2. The statute is mandatory. If the enumerated facts are found to exist, then “. . . the Commission shall, for the prevention of waste or to avoid the drilling of unnecessary wells, require the owners to integrate their interests and to develop the land as a drilling unit.” (our emphasis)

3. The Commission’s charge under the statute is to integrate such interests “. . . upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool.”

III. The Issue

Based on the foregoing, the narrow issue to be determined by the Hearing Officer is whether or not CRI has established by a preponderance of the evidence that allocating 28.368% of unit oil to the Culley Tract results in an equitable share of waterflood oil accruing to the benefit of the owners of the Culley Tract.

The issue is NOT whether there are other reasonable allocations. It is NOT even whether or not CRI’s proposal is the most reasonable proposal (although, we submit that it is). It is whether or not the Proposed Plan, agreed to by all other interested parties, is equitable to Culley and the Culley Tract.

IV. The Evidence

CRI has submitted the executed Culley Oil and Gas Lease, the executed (except for Culley) “Nation Road Waterflood Unit Royalty Unitization Agreement”, with Exhibits, a detailed explanation of the participation percentages (Exhibit 3 to the Petition), copies of relevant portions of logs of all wells in the field, perforation data, well stimulation treatments of all wells, with supporting invoices, well completion reports and LAS files. In addition, the Hearing Officer heard the testimony of Richard Straeter, an officer of Petitioner and a licensed professional petroleum engineer.

Culley submitted CountryMark production records through October of 2008 and a document entitled “Nation Road Waterflood Unit Discrepancies (Data Inputs).” In addition, she submitted her “Preliminary Position Statement” prior to the hearing. Her consulting experts, Mssrs. Pigott and Lewis, attended the hearing.

V. Argument

It is submitted that the evidence presented at the informal hearing shows not only by a preponderance of, but by clear and convincing, evidence that CRI is entitled to the relief sought by its Petition. Rather than re-hash the entirety of the proceedings, CRI will hereafter address specific issues, particularly those arguments referred to by the Hearing Officer at the conclusion of the hearing.

a. A Moving Target: It remains unclear precisely what allocation Culley seeks. In her preliminary statement, she asserted that an allocation based on surface acreage only (57+%) was required. Alternatively, she argued that CRI's allocation was "flawed" and that 29.4817% was more reasonable. At hearing, despite requests for clarification, she abandoned neither position. It is reasonable to assume that each position will be advanced in her brief.

Surface acreage alone does not accurately reflect the relative contributions of separate tracts to overall, ultimate secondary recovery. This is especially true when so much is known about the reservoir. Indeed, it is submitted that applying such a "one size fits all" standard would be patently unfair to the Allyn Tracts.

Finally, while advancing an argument based on the sanctity of prior contract, Culley conveniently omits reference to the portions of the lease restricting unilateral exercise of the pooling authority to 80 acres. That, alone, is fatal to her argument. We are not talking about a wildcat area where small tracts must be pooled to establish a drilling unit for permitting purposes. We are talking about a substantial field suitable for secondary recovery, with limits fully delineated by drilling, with known histories and data readily available. Because it is to her advantage, Culley would have us ignore all of the science and award her a share of oil which indeed flies in the face of science, all pursuant to a contract which by its own terms does not apply to the instant facts.

b. Updated Production Data: It should be recalled that the Proposed Plan was originally formulated in January of 2008. The current and cumulative production figures used were the most current then available, through the end of 2007. It was executed by Petitioner in February of 2008 and by the first other party, Joyce Culley, on March 19, 2008. It was during this same month that the proposal was submitted to Kathryn Culley. Some nine months later she would now argue that the delay she caused makes CRI's data stale. Extending her argument to its logical extreme, the data she asserts should be used will be stale by the time the Hearing Officer decides, then that current data will be stale by the time the Administrative Law Judge decides the case, if applicable, which data will be stale by the time the Appellate Court decides, if applicable, which data will be stale by the time the waterflood switch is turned on, etc.

Finally, in this regard, it is submitted that as production matures extraneous events, such as required repairs, are more likely to intervene and affect the appropriateness of these production based factors. A lot of things can cause volatility in current production rates.

c. Useable Wells: Culley admitted in her Pre-Hearing Statement that the Culley #2 exhibits "very marginal sand quality." Even at the hearing, she was unable to decide in her "discrepancy" tables whether she should be credited with one well or two. Instead, she "continues to question." It is submitted that what she is really doing is throwing everything out there and seeing if anything will stick. Credit should be given to wellbores which will benefit the overall waterflood effort. The Les Wilson, Inc. spudder invoices relative to the Renault sand completion attempt in the Culley #2 clearly show that well to be useless to the waterflood effort.

d. Hardinsburg Sand: The evidence at the hearing was that there was one Hardinsburg only well on the Culley Tract and one duly completed (Renault and Hardinsburg) well on the Allyn Tract, both marginal producers and neither economical in the Hardinsburg sand alone. But for the Renault sand, there would be no proposed waterflood, and the Hardinsburg intervals are simply irrelevant to a consideration of the fairness of the proposal. It would be antithetical to the concept of preventing waste to require those zones to be segregated and separately accounted for, or worse, to be plugged and abandoned, especially since the minimal benefits are shared and not one-sided.

e. Alternative Proposals: CRI considered several different alternatives before settling on and circulating the Proposed Plan. It would have been, and should have been, subject to criticism if it had not. CRI here simply urges the Hearing Officer to focus on the relevant issue; is what was ultimately proposed in accordance with the statute?

VI. The Conclusion

CRI has submitted a fair and equitable unitization plan. That plan is based on science and has been accepted by all interested parties, save one. The motivations of the objector are questionable, and her objections are conflicting, vague and unsupported by convincing evidence.

Perhaps the best evidence that CRI's proposal is fair emerges when one compares CRI's proposal to Culley's counter-proposal discussed at the hearing. The comparison is detailed in the attachment hereto. Over the 22½ year expected life of this waterflood, the difference between CRI's proposal and Culley's proposal, based on present worth, is a mere \$285.

Respectfully submitted,

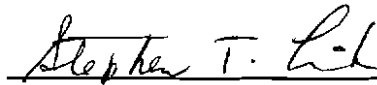


Stephen T. Link, #9890-82
1033 Mt. Pleasant Rd., Ste. H
Evansville, Indiana 47725-7149
Telephone (812) 423-8061
Facsimile (812) 424-5739
Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading has been served upon all parties and counsel of record in the above matter by placing same, properly addressed, postage prepaid, in the United States Mail on this 22 day of December, 2008. I hereby certify that the foregoing document complies with the requirements of Trial Rule 5 (G) with regard to information excluded from the public record under Administrative Rule 9 (G).

Charles A. Compton
ZIEMER, STAYMAN, WEITZEL &
SHOULDERS, LLP
20 N.W. 1st St.
P. O. Box 916
Evansville, IN 47706-0916



Stephen T. Link

Nation Road Waterflood Unit

Kathy Culley Incremental Fair Market Valuation

Kathy Culley Royalty Interest	0.03125000	
Kathy Culley Overriding Royalty Interest	<u>0.01367188</u>	
Total Lease Net Royalty Int.	0.04492188	
Continental Resources, Inc (CLR)		
Participation Factor Calculation	0.28368000	
Kathy Culley (Culley)		
Participation Factor Calculation	<u>0.29481700</u>	
Culley vs. CLR Participation Factor (ΔPF)	0.01113700	Δ
Culley Unit Incremental Revenue Interest	0.00050029	
12/1/2008 Wellhead Oil Price (\$/Bbl)	\$45.05	
Undiscounted Cash Flow Over Next 22.5 years	\$1,340	
Unrisked Fair Market Value (Present Worth 15%)	\$570	
Minimum Risk Factor For 2P Reserves Per Society of Petroleum Engineers Definitions	50%	
Incremental Fair Market Value (1/1/2009)	<u>\$285</u>	

Date: 12/2/2008 9:41:00AM
 Partner : Culley Partner
 Retrieval Code :
 Reserve Cat : Proved Producing
 Location :
 Archive Set : default

ECONOMIC PROJECTION

YE Reserves 2008
 CULLEY #1
 Discount Rate : 10.00
 As of: 1/1/2009

Case : CULLEY #1
 Type : LEASE CASE
 Field : Caborn West
 Operator : CRUI
 Reservoir : Renault
 Co., State : Posey, IN
 API No. :

Est. Cum Oil (Mbbbl) : 18.86
 Est. Cum Gas (MMcf) : 0.00
 Est. Cum Water (Mbbbl) : 0.00

\$ 50⁰⁰ NYMEX Per Barrel

Year	Oil Gross (Mbbbl)	Gas Gross (MMcf)	Oil Net (Mbbbl)	Gas Net (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil & Gas Rev. Net (M\$)	Misc. Rev. Net (M\$)	Costs Net (M\$)	Taxes Net (M\$)	Invest. Net (M\$)	NonDisc. CF Annual (M\$)	Cum Disc. CF (M\$)
2009	5.86	0.00	0.00	0.00	45.05	0.00	0.13	0.00	0.00	0.00	0.00	0.13	0.12
2010	6.48	0.00	0.00	0.00	45.05	0.00	0.15	0.00	0.00	0.00	0.00	0.14	0.25
2011	5.04	0.00	0.00	0.00	45.05	0.00	0.11	0.00	0.00	0.00	0.00	0.11	0.34
2012	4.22	0.00	0.00	0.00	45.05	0.00	0.09	0.00	0.00	0.00	0.00	0.09	0.40
2013	3.65	0.00	0.00	0.00	45.05	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.45
2014	3.24	0.00	0.00	0.00	45.05	0.00	0.07	0.00	0.00	0.00	0.00	0.07	0.50
2015	2.94	0.00	0.00	0.00	45.05	0.00	0.07	0.00	0.00	0.00	0.00	0.07	0.53
2016	2.70	0.00	0.00	0.00	45.05	0.00	0.06	0.00	0.00	0.00	0.00	0.06	0.56
2017	2.49	0.00	0.00	0.00	45.05	0.00	0.06	0.00	0.00	0.00	0.00	0.06	0.58
2018	2.33	0.00	0.00	0.00	45.05	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.60
2019	2.19	0.00	0.00	0.00	45.05	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.62
2020	2.07	0.00	0.00	0.00	45.05	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.63
2021	1.96	0.00	0.00	0.00	45.05	0.00	0.04	0.00	0.00	0.00	0.00	0.04	0.65
2022	1.87	0.00	0.00	0.00	45.05	0.00	0.04	0.00	0.00	0.00	0.00	0.04	0.66
2023	1.79	0.00	0.00	0.00	45.05	0.00	0.04	0.00	0.00	0.00	0.00	0.04	0.67
Rem.	11.44	0.00	0.01	0.00	45.05	0.00	0.26	0.00	0.00	0.00	0.00	0.26	0.04
Total	22.5	60.26	0.00	0.03	45.05	0.00	1.36	0.00	0.00	0.01	0.00	1.34	0.71

Eco. Indicators

Major Phase : Oil
 Initial Rate : 171.85 bbl/month
 Abandonment : 112.45 bbl/month
 Initial Decline : -830.109 %/year b = 0.00
 Initial Ratio : 0.000 Mcf/bbl
 Abandon Ratio : 0.000 Mcf/bbl
 Abandon Day : 06/26/2031

Return on Investment (disc) : 0.000
 Return on Investment (undisc) : 0.000
 Years to Payout : 0.00
 Internal Rate of Return (%) : 0.00

Present Worth Profile (M\$)

PW 5.00% :	0.94	PW 20.00% :	0.47
PW 8.00% :	0.79	PW 25.00% :	0.41
PW 10.00% :	0.71	PW 30.00% :	0.36
PW 12.00% :	0.64	PW 40.00% :	0.29
PW 15.00% :	0.57	PW 50.00% :	0.24

	<u>Initial</u>	<u>1st Rev.</u>	<u>2nd Rev.</u>
Working Interest :	0.00000000	0.00000000	0.00000000
* Revenue Interest :	0.00050000	0.00000000	0.00000000
Rev. Date :			

TRC Standard Eco.rpt * Kathy Culley's Royalty Interest (RI) and Overriding Royalty Interest (ORRI) difference between Continental Resources, Inc. 's participation factor and Culley's calculation of participation factor (.01114). Kathy Culley's RI in Culley Tract = .03125 ORRI = .01367188. Total difference in Unit Net Revenue Interest = .00050

RICHARD H. STRAETER, P.E.
December 1, 2008

15625 North Squire Lane
Mt. Vernon, IL 62864
email: richard.straeter@crrl.us

(618) 244-2789/home
(618) 204-9068/cell
Birth date: May 2, 1958

PROFESSIONAL EXPERIENCE

October, 2006 – Continental Resources, Inc. – Eastern Division
Present Mt. Vernon, IL 62864

President, Responsible for Personnel, Exploration, Land, Engineering and Accounting Departments

Continental Resources of Illinois, Inc. merged with Continental Resources, Inc.

April 2002 – Continental Resources of Illinois, Inc.
October, 2006 Mt. Vernon, Illinois 62864

President, Responsible for Personnel, Exploration, Land, Engineering and Accounting Departments

Personnel – 43 Field Employees

Company Engineering – Review and approve all engineering decisions and AFE's for operated properties producing 1,700+ barrels per day.

Exploration – Direct all exploration programs east of the Mississippi River

Land – Direct leasing, acquisitions & Unitization

Financial – Direct accounts payable and accounts receivable

Nov 2006 - Orbit Gas Storage, Inc.
Present Henderson, Kentucky 42420

Board of Director/Partner: for Greenfield gas storage/hub development with 25 BCF working gas capacity in Western Kentucky.

Sept 2005 – Orbit Gas Transmission, Inc.
Present Henderson, Kentucky 42420

Inaugural President through August 2006; Board of Director/Partner: for Gas transmission, processing and local distribution company in Western Kentucky.

**April 1984 –
April 2002**

**Barger Engineering, Inc.
Evansville, Indiana 47728-0507**

1994 – April, 2002

Vice-President, Responsible for Personnel, Company and Consulting Engineering, Geologic and Land

Employees – 2 Engineers, 2 Office Staff, 3 Field Employees, 5 Contract Pumpers

Company Engineering – Review and approve all engineering decisions and AFE's for operated properties producing 325 barrels per day.

Consulting Engineering – Perform 90% of the firm's Consulting Engineering.

Geologic – Review, approve and follow-up of all prospective purchases and geologic prospects.

Land – Review, approve and follow-up of all leasing, preparation of unitization and operating agreements and maintenance thereof.

Financial – Monitor accounts payable and accounts receivable

1984 to 1994

Staff Engineer

As Engineer for Barger Engineering, Inc. my current projects and past assignments are as follows:

1. Engineering, Geologic and Economic valuations of Oil and Gas Producing and Gas Storage properties for estates, sales and purchases to \$9 Million value.
2. Waterflood design, up to 80 wells including:
 - a) Waterflood feasibility and economic analyses
 - b) Derive participation factors (12 Waterflood Units)
 - c) Prepare unit and operating agreements
 - d) Plans and equipment design
 - e) Supervision of construction
 - f) Continuous waterflood monitoring and reporting
3. Expert witness for suits and hearings.
4. Drilling and completion on site prognoses.
5. Drilling and well completion supervision.
6. Consulting Engineer for various clients with up to 219 oil and gas producing and injection wells per client, tracking production, recommending workovers and filing of all EPA and State & Federal Applications and reports.

**July 1983
- April 1984**

**Flopetrol Johnston Schlumberger
228 rue Einstein, 77530 Vauz-le-Penil
Melun Cedex France**

Field Engineer

I spent two weeks in Africa on pre-training and three months of training in Pau, France. The training included: well testing procedures, well test analysis, wireline, snubbing high accuracy measurement using permanent and retrievable downhole completion equipment. As a Field Engineer for Flopetrol my duties included:

1. Preparing well test and subsea latch equipment for offshore Operations.
2. Perform well test calculations for oil, water, and gas measurement and writing of well testing reports.
3. Installation of high accuracy permanent downhole gauges.
4. Running of packer assemblies and firing head for tubing conveyed perforations.

- Secretary Treasurer, continuing education chairman, publicity chairman)
4. Illinois, Kentucky, Indiana, Michigan and Ohio Oil and Gas Associations.
 5. Independent Oil Producers Association.
 6. Petroleum Technology Transfer Council – National Board and Budget Committee
 7. US Department of Energy, National Petroleum Council – Member (2004 - Present)
 8. Kentucky Oil and Gas Association Board of Directors

CIVIC AFFILIATIONS

1. United Way, Agricultural and Mineral Division Leader
2. United Methodist Children's Home, Board Member
3. Mt. Vernon Rotary, Board Member and President 2007-08

AWARDS

WHAM ACHIEVEMENT AWARD – Received for active achievement on a large scale project
2002 ILLINOIS OIL & GAS ASSOCIATION, PETROLEUM PROFESSIONAL OF THE YEAR